FT REPORTS

U.S. BUYS YEN TO SUPPORT JAPANESE CURRENCY

CORRESPONDENT
WASHINGTON

The U.S. Treasury bought yen on Friday to support the battered Japanese currency, the Financial Times reported, marking Washington's first yen-buying intervention with Tokyo in more than a decade as it languishes near 40-year lows.

The Federal Reserve Bank of New York sold euros for yen on behalf of the Treasury through Goldman Sachs and Morgan Stanley, the FT said, citing people familiar with the matter. The report did not indicate any amounts of yen purchased.

Earlier on Friday, the Treasury informed a number of banks that it might intervene in the yen market and that they should "stand ready for future action," a source familiar with the matter told press. A photo of Treasury Secretary Scott Bessent's notepad during a cabinet meeting at Camp David in Maryland showed the words "To Do," followed by "Buy Japanese Yen (JPY) $5-10 bil."

The Treasury did not immediately respond to requests for comment on the FT report and the Bessent notepad photo. The New York Fed and Morgan Stanley also did not immediately respond to requests for comment outside regular business hours. Goldman Sachs declined to comment.

The U.S. last directly supported the yen in 2011, coordinating with fellow Group of Seven nations to stabilize markets after Japan's earthquake and tsunami disaster.

News of the potential intervention by the Treasury helped boost the yen , with a notable jump during late afternoon trading. The dollar dropped to about 157.6 yen just before 5 p.m. EDT (2100 GMT) from about 158.9 yen around 4:14 p.m., LSEG data showed.

The U.S. currency had risen in recent weeks to nearly 164 yen, its highest since 1986.

Japan may have sold as much as $58.97 billion to buy yen on Thursday, central bank data indicated on Friday, signaling its repeated efforts to stem the yen's weakness. Tokyo intervened again in New York trading hours on Friday, the Nikkei reported on Saturday. Finance Ministry officials could not immediately be reached for comment outside working hours, but the ministry, in an apparent effort to soothe market worries about the limits of Japan's firepower for large-scale intervention, posted on X that Japan's monetary authorities have "a broad range of tools to address market liquidity needs."

"We remain prepared to use available tools as necessary to support orderly market functioning," including potential access to the Federal Reserve's standing Foreign and International Monetary Authorities (FIMA) Repo Facility, the ministry said.

SUPPLY-CHAIN STRAIN

Apple to lose $500 billion in value after weak forecast

CORRESPONDENT
WASHINGTON

Apple shares fell nearly 10% on Friday after a disappointing forecast showed that the iPhone maker was struggling to secure enough components as the AI-driven data center boom strains global supply chains.

The drop, if sustained, would mark the stock's worst day since the pandemic-driven selloff in March 2020. It would erase nearly $500 billion from Apple's market capitalization and return the crown of the world's most valuable company to AI chip giant Nvidia, days after reclaiming it.

Tim Cook, widely hailed as a supply-chain genius, called the shortages "very significant" and said Apple had limited options to address them, speaking on his final earnings call as CEO before handing the reins to John Ternus in September and becoming executive chairman.

"If even at Apple's scale they are saying they are out all supply chain flexibility, it's really bad for everyone," said Ben Bajarin, CEO of tech consultant Creative Strategies.

Big Tech has been scooping up advanced chip-making capacity and memory chips to power its AI data centers, sparking shortages and price increases that are expected to shrink both the personal computer and smartphone markets this year.

Apple had cushioned some of the blow from surging memory costs by drawing on stockpiled inventory, but Cook said that the buffer was fading and shortages of processors were keeping it from meeting strong demand for iPhones and Macs.

Its forecast on Thursday for revenue growth of between 9% and 11% in the current quarter fell short of Wall Street's roughly 12% estimate, and softer growth in its services business also overshadowed otherwise strong June-quarter results.

The services weakness worried investors as it came during a stretch of strong iPhone sales, which typically feed the business that takes a cut of App Store purchases and includes everything from Apple Music to Apple TV.

SURGE

Wall Street ends higher as Amazon earning boosts AI optimism

CORRESPONDENT
WASHINGTON

Wall Street ended higher on Friday, lifted by Amazon as the tech heavyweight's strong quarterly report bolstered investor confidence in AI-related stocks, while Apple dropped after its results disappointed investors.

Amazon.com surged over 15% after posting its biggest quarterly revenue growth in over four years. Its results, along with a similar report from Microsoft on Wednesday, alleviated investor concerns about potential overspending on AI data centers.

Worries that heavy investments in AI infrastructure may be taking too long to pay off rattled global markets this month and led to doubts about companies at the center of Wall Street's rally in recent years.

"There were worries that Amazon's spending was just moonshot spending, that it's irresponsible spending, and (CEO) Andy Jassy just put those fears to bed," said Jake Dollarhide, CEO of Longbow Asset Management in Tulsa, Oklahoma.

The PHLX chip index edged up 0.07%, and it remains down over 20% from its June 22 record high close.

Apple tumbled 7.4% after warning that supply constraints would hurt growth, adding to worries that recent iPhone price hikes would weaken consumer demand. Apple's slump kept the S&P 500 technology index down 0.54%, despite gains in other tech stocks.

Microsoft rose 3%, adding to gains after surging over 15% on Thursday in its biggest one-day percentage gain since 2008 after it forecast stronger-than-expected cloud growth.

Monolithic Power Systems rose over 8% after forecasting third-quarter revenue above estimates.

The S&P 500 climbed 0.70% to end the session at 7,489.72 points. Even as the S&P 500 rose, declining stocks outnumbered rising ones by a 1.3-to-one ratio.

The Nasdaq gained 1% to 25,373.85 points, while the Dow Jones Industrial Average rose 0.53% to 52,485.03 points.

Volume on U.S. exchanges was heavy, with 20.6 billion shares traded, compared to an average of 17.1 billion shares over the previous 20 sessions.

CYBERSECURITY

AI MODELS HACKED 3 ORGANIZATIONS DURING TESTING: ANTHROPIC

CORRESPONDENT
WASHINGTON

Anthropic said its artificial intelligence models hacked into three other organizations during testing, just days after ChatGPT maker OpenAI raised concerns over AI controls after it disclosed its rogue models hacked another company.

Anthropic, the San Francisco-based AI company behind Claude, posted on its website Thursday that it discovered the three incidents after reviewing more than 141,000 evaluation runs.

It had launched a "large-scale" cybersecurity review which specifically looked for evidence whether its AI models were able to access the internet from within testing environments that should have been sealed off, in response to the OpenAI incident, Anthropic said.

Anthropic said the models involved in the incidents were Claude Opus 4.7, Claude Mythos 5 and an internal research test model. The earliest incidents date to April, the AI company said.

"Claude compromised the impacted organizations' infrastructure using basic techniques," Anthropic said, such as exploiting weak passwords.

In all three incidents, the AI models were tasked with a "capture the flag" cybersecurity challenge, which Anthropic said has been one of the ways it assesses a model's cyber capabilities.

The models were given a fictional scenario and told a piece of secret information, or the "flag," had been hidden on a different machine on the network with the objective of breaking in and retrieving it, it said.

It added that it had already reached out to the affected organizations, which it did not name.

POLICY MEETING

Fed dissenters push for rate hike as inflation stays above target

CORRESPONDENT
WASHINGTON

Three Federal Reserve officials who dissented at this week's policy meeting in favor of an interest rate hike expressed concern on Friday that without an immediate increase in short-term borrowing costs inflation will stay stuck above the Fed's 2% target, where it has been for more than five years.

A fourth U.S. central banker said he too sees a strong case for tighter Fed policy but that, with June's cooler inflation reading in hand, it may be okay to wait and assess.

The remarks are an early peek at the "family fight" that took place behind closed doors in Washington earlier this week, when Chairman Kevin Warsh led the Fed's rate-setting committee in a 9-3 decision to leave short-term borrowing costs in the 3.50%-3.75% range.

Longer-term bond yields surged in response, in what analysts say reflects a perceived credibility gap between Warsh's assertions that the Fed will deliver price stability and the central bank's lack of action.

More policymakers, including Fed Governor Lisa Cook and Kansas City Fed President Jeff Schmid, are scheduled to speak next week. With Warsh sticking to his policy of giving no insight on his view of where rates should go, investors are putting more weight on what his colleagues say.

"Inflation has remained stubbornly above 2% for more than five years, and I am not confident it will return to our objective on its own," Cleveland Fed President Beth Hammack said in a statement released by her regional bank.

"A higher federal funds rate would help restrain economic activity and reduce inflationary pressures" and the economy can deal with higher interest rates given the stability of the job market, Hammack said. "I preferred to move at our recent meeting because I did not see the current policy stance as appropriately restrictive."

In a separate statement, Minneapolis Fed President Neel Kashkari also expressed worries about inflation and said the central bank's policy-setting Federal Open Market Committee should have raised rates on Wednesday as the first in a series of hikes.

"To manage against the risk that high inflation could become entrenched, I would rather tighten policy incrementally as we gather more data on the path of inflation and employment," Kashkari wrote.

"If inflation remains elevated, in my view, a potential series of small policy moves would be better than waiting and eventually concluding that even bolder actions were necessary," Kashkari said.

Dallas Fed President Lorie Logan, the third policymaker to support raising the central bank's benchmark interest rate by a quarter of a percentage point from its current 3.50%-3.75% range this week, also said she feels current monetary policy isn't putting any downward pressure on inflation.

ADDICTIVE AND DANGEROUS

Social media platforms face lawsuit over teen suicides

CORRESPONDENT
WASHINGTON

The families of four teenagers who died by suicide are suing Meta, TikTok, Snapchat and YouTube over what they describe as "years of escalating harms" from using their platforms that eventually resulted in their deaths.

The lawsuit, filed Thursday in the Superior Court of Delaware, is the latest in a flurry of suits filed against the social media giants that alleges their platforms are addictive and dangerous.

The complaint was filed on behalf of four families from Texas, North Carolina, Minnesota and Tennessee whose children died over a 14-month period starting in July 2024 through September 2025.

The Social Media Victims Law Center is bringing the suit on behalf of the families, and its founding attorney, Matthew Bergman, said it's "particularly salient" that the children in this case died "long after" similar suits had been filed.

"These platforms continue to kill kids, despite the platitudes of their executives," Bergman said in an interview. "This is a clear and present danger to the health and safety of children, not just in the United States but around the world."

The four teens who died by suicide each experienced harms including social media addiction, severe sleep deprivation, depression, anxiety and suicidal ideation after years of using the social platforms, the complaint states. Livi Castro died at age 13, Riv Kelleher at 14, Nathaniel Chambers at age 17 and Dawson Holden at 18.

The complaint alleges the social media companies knew they were causing harm to young users.

A spokesperson for Google, which owns YouTube, said in a statement that "providing young people with a safer, healthier experience has always been core to our work. In collaboration with mental health and parenting experts, we've built services and policies to provide young people with age-appropriate experiences, and parents with robust controls. We send our deepest sympathies to the families and are reviewing the claims in this lawsuit."

Representatives for Meta, TikTok and Snap did not immediately respond to requests for comment.

Sacha Haworth, executive director of The Tech Oversight Project, said in a statement that parents, activists and whistleblowers have come forward and met with lawmakers for years and "while Congress has dragged its feet, more children have died." Federal legislation of social media has moved at a glacial pace.

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AUTONOMOUS AI

Here's the blueprint to keep AI in its box

We need guidelines that are not merely regulatory but architectural.

OPINION

HUGH DUGAN

AI generated image

The accelerating evolution of artificial intelligence demands that we revisit the foundations of our shared human compact.

In my 27 July article in these pages, I argued that the international community must anchor AI governance in universal norms rather than in fragmented national approaches.

Today, as artificial generative intelligence (AGI) emerges as a distinct and potent subset of frontier AI, that imperative becomes even more urgent.

Artificial generative intelligence—defined here as systems capable of autonomously producing novel text, images, code, and multimodal content—sits within the broader category of frontier AI, the most advanced and compute-intensive models now achievable. Frontier AI encompasses the full spectrum of high-capability systems, including reasoning engines, autonomous agents, and multimodal interpreters. AGI is the generative branch of this frontier: the part that creates, imitates, and increasingly initiates content.

It is precisely this generative capacity that places AGI at the crossroads of innovation and human rights.

The Universal Declaration of Human Rights (UDHR), adopted in 1948, remains the world's most widely accepted articulation of human dignity. Its articles are not relics; they are living commitments. Several of them speak directly—indeed presciently—to the challenges posed by AGI.

Article 1, affirming that all human beings are "endowed with reason and conscience," reminds us that AGI must never be mistaken for a bearer of human moral agency. As generative systems grow more persuasive and more autonomous, engineering constraints must ensure that they do not simulate moral authority or impersonate human conscience.

Article 3, guaranteeing the right to life, liberty, and security of person, demands that AGI development incorporate safety-by-design. Generative systems capable of producing harmful biological, chemical, or cyber-technical content must be bounded by strict access controls, monitored compute thresholds, and real-time misuse detection.

Article 12, protecting individuals from arbitrary interference with privacy, is directly implicated by AGI's appetite for data. Generative models trained on vast human datasets must be engineered to avoid re-identification, prevent leakage of personal information, and maintain strict provenance controls. Privacy cannot be an afterthought; it must be a design constraint.

Article 18, safeguarding freedom of thought, becomes newly relevant as AGI systems generate persuasive political, ideological, or religious content. Guardrails must prevent generative engines from shaping belief through covert influence, targeted manipulation, or synthetic consensus.

Article 19, guaranteeing freedom of expression, requires a delicate balance. AGI can amplify human creativity, but it can also drown it. Engineering constraints should ensure that generative systems label synthetic content clearly, preserve the authenticity of human speech, and avoid overwhelming public discourse with machine-generated noise.

Article 27, affirming the right to participate in cultural life, speaks to AGI's impact on creativity itself. Generative systems must respect intellectual property, protect artistic integrity, and avoid appropriating cultural expressions without consent.

Taken together, these articles form a blueprint for responsible AGI evolution. They suggest guidelines that are not merely regulatory but architectural:

- Transparency of origin for all generative outputs.
- Provenance tracking for training data.
- Capability thresholds that trigger mandatory safety evaluations.
- Human-in-the-loop requirements for high-risk generative actions.
- Compute governance to prevent uncontrolled scaling.
- Identity safeguards to prevent impersonation of individuals or institutions.

The UDHR does not oppose innovation; it guides it.

Artificial generative intelligence will shape the next era of human creativity, communication, and cognition. But it must do so in a way that respects the dignity of the human person, preserves the integrity of human agency, and strengthens—not supplants—the universal norms that bind us together.

As AGI advances, our task is clear: to ensure that the machines we build never outrun the values that define us.

** Hugh Dugan, President of Multilateral Accountability Associates and former White House Senior Director in the National Security Council. Part II to author's 27 July article on AI and global norms*

LITHOGRAPHY SYSTEM

A MILLIMETRE OF WATER

China's DUV breakthrough challenges export controls, reshaping global semiconductor competition.

ADITYA SINHA & NAVIN VIJAY

AI generated image

In the summer of 2002, at a workshop convened by SEMATECH to plan the industry's move to 157 nanometre lithography, an engineer from TSMC named Burn-Jeng Lin stood up and argued that the road everyone had agreed upon was a dead end. Put a thin layer of water between the lens and the silicon wafer, he said, and the existing 193 nanometre light would do better than the new 157 nanometre machines ever could, because water bends light; its refractive index at that wavelength is 1.44. Intel abandoned 157 nanometre in May 2003. In December 2003, ASML announced the first immersion lithography system, the TWINSCAN XT:1250i, delivered in the third quarter of 2004. Nikon, which in the early 1990s held over half the world lithography market, had bet on the dry path. ASML today has over 90 per cent of the market and all of the extreme ultraviolet segment. Leadership in this industry has changed hands before, and it changed hands on a bet about water.

That history is worth keeping in mind when reading the news from Shanghai. On July 27, 2026, The Information reported that an unnamed state-backed Chinese firm has begun manufacturing immersion deep ultraviolet lithography machines, with deliveries expected this year to Semiconductor Manufacturing International Corporation and to CXMT, the memory maker whose Shanghai listing the same week made it the most valuable company on the mainland. ASML's shares fell as much as 8 per cent.

What, precisely, has happened? Lithography machines project circuit patterns onto silicon; they are the most complex and most restricted equipment in chipmaking. Immersion DUV, Lin's water trick industrialised, is the workhorse: at roughly 90 million dollars a machine, against more than 200 million for an EUV system, it makes most of the chips in cars, appliances, servers and phones. Since the Bureau of Industry and Security's rules of October 7, 2022, followed by Dutch controls announced on March 8, 2023 and Japanese controls effective July 23, 2023, China has been denied the advanced end of this technology. The best machine ASML may now legally ship to China is eight generations behind its best. Chinese fabs have compensated with multi-patterning, printing a fine pattern in several coarse passes, at the cost of yield and money. A domestic immersion tool, if it works, removes the ceiling. The reported numbers are modest: five machines this year, perhaps 20 in 2027, with some components still Japanese. ASML plans capacity of around 130 immersion machines in 2026, and 30 per cent more in 2027.

What does it mean? Less than the share price reaction suggests, and more than the sceptics allow. A working tool is not a working fab. Foundries measure a machine by yield, the fraction of usable chips, and by how it behaves in a fleet, over years, with service engineers on call. Bloomberg Intelligence estimates seven to ten years for China to close the lithography gap. Nor does ASML lose much revenue it still has: China accounted for 14 per cent of its 6.6 billion euros of system sales in the second quarter, roughly 924 million euros, and the machines China will now build domestically are largely those ASML is already forbidden to sell. The order book is full. But the direction is unambiguous. Immersion DUV is the staging post to EUV, of which China reportedly has a working prototype. ASML needed roughly two decades and 10 billion dollars, with co-investment from Intel, TSMC and Samsung, to make EUV commercial. That is a statement about difficulty. It is also a statement about what determined money and time can buy.

Three implications follow for the world. First, export controls are accelerating what they were designed to prevent. A Chinese toolmaker that would have had no customers against ASML now has a guaranteed market, because the superior product is not for sale. This is infant industry protection, except that the tariff wall has been erected, free of charge, by the adversary. Second, every chokepoint has a half-life. The moment a technology is named as a point of leverage, its replacement becomes a national mission for the country squeezed. Controls buy time; they do not buy permanence, and the price of the time is the erosion of the leverage. The policy question is whether the time bought is being used for anything. Third, the equipment market is splitting. A bill introduced in the US Congress in April 2026 would bar the sale and even the servicing of all ASML immersion machines in China. If it passes, two lithography worlds will develop separately, and the one starting behind will have every incentive to be different rather than merely cheaper.

What should India do? The negative list first: India should not attempt to build lithography machines. A device that consumed two decades, 10 billion dollars and the patience of three anchor customers is not where a late entrant deploys scarce public capital; opportunity cost is not suspended for strategic sectors. The Semicon India programme, approved on December 15, 2021 with 76,000 crore rupees, has wisely aimed elsewhere: the Tata fab at Dholera will make 28 nanometre chips, a node served by exactly the DUV machines now in question.

Three affirmative tasks follow. Secure the tools: India buys every lithography machine it will ever use, and long-term equipment and servicing agreements deserve the same diplomatic attention that fighter aircraft receive. Enter the food chain from below: ASML assembles the work of nearly 5,000 suppliers, in optics, precision mechanics, sensors and software, and there is no export control on becoming indispensable to the seller. And train the people: lithography is applied physics and chemistry, and the binding constraint in 2040 will not be buildings.

The wider point is older than the trade war. Technological dominance in this industry has never survived a transition unexamined. Nikon dominated, doubted the water, and lost. ASML dominates, and a state with 1.4 billion people and a grievance is now running the experiment of whether two decades can be compressed. Perhaps it cannot. But Lin's insight, the one that reordered the industry, was never a machine. It was an idea about water. Machines can be put on an entity list. The water never was.

** Aditya Sinha writes on macroeconomics and geopolitics. Navin Vijay is a Technology and Strategy Consultant.*

PROCESSING OILS

PETROLEUM PRODUCTS MANUFACTURER'S Q4 PROFIT JUMPS 60% ON STRONG DEMAND

TAKING STOCK

RAJIV KAPOOR

Panama Petrochem Limited is India's leading manufacturer of petroleum specialty products and value added lubricants. The company was established in 1982 and in the business of manufacturing transformer oils, white oils, liquid paraffin, industrial lubricants, petroleum jelly, automotive lubricants and rubber processing oils.

It has manufacturing facilities in India and the UAE and exports to over 80 countries, making it one of India's prominent exporters in the specialty petroleum products segment. Panama Petrochem caters to diverse industries such as power, pharmaceuticals, personal care, tyres, rubber, textiles, plastics and automotive, thereby reducing dependence on any single end user industry. Unlike traditional oil refiners, Panama Petrochem focuses on specialty petroleum products, which generally offer better margins and lower earnings volatility. Over the years, the company has steadily expanded its product portfolio and export footprint, while benefiting from India's growing manufacturing base and increasing demand for specialty lubricants.

Its diversified customer base and integrated manufacturing facilities have enabled the company to maintain consistent profitability across commodity cycles. Panama Petrochem reported Standalone Q4FY2026 financial numbers with Net Sales at Rs 550.02 crores , up 20.67% from Rs 455.82 crores in March 2025. Quarterly Net Profit climbed to Rs. 46.92 crores in March 2026 , up 60.36% from Rs. 29.26 crores in March 2025.

EBITDA went to Rs. 67.84 crores , up 47.13% from Rs. 46.11 crores in March 2025. The company's EPS increased to a solid Rs. 7.76 in March 2026 from Rs. 4.84 in March 2025. For the trailing twelve months, the company generated higher revenue while maintaining healthy profitability and attractive valuation multiples relative to many specialty chemical peers. The specialty petroleum products industry enjoys favourable long term growth drivers on the back of rising industrialisation and infrastructure spending , expansion of the power transmission sector, increasing demand for transformer oils,higher pharmaceutical and cosmetic manufacturing and increasing demand for specialty lubricants and process oils.

Several market commentators and industry analysts have highlighted the company's improving profitability and operational efficiency following its FY26 results. Independent research platforms also note healthy revenue growth, attractive earnings multiples and improving margins. Recently, positive sentiment across the specialty lubricant sector, following strong results from industry peer Gandhar Oil, also lifted Panama Petrochem shares, reflecting improving investor confidence in the sector. Panama Petrochem represents a high quality mid cap industrial company with a proven track record of consistent execution. Its focus on value-added petroleum specialty products, diversified customer base, expanding export business and strong financial performance position it well to benefit from India's industrial growth and increasing global demand for specialty lubricants.

The strong FY26 results demonstrate improving operating leverage and earnings momentum. Although crude oil price movements and global demand cycles remain key risks, the company's healthy balance sheet, steady dividend policy and attractive valuation make it a compelling long term investment. Portfolio Investors with a long term investment horizon may consider Panama Petrochem stock currently quoting at Rs 450 on the bourses as a quality compounder in the specialty petroleum products and industrial lubricants sector.

PASSENGER VEHICLE

MAHINDRA, KIA LEAD JULY AUTO SALES GROWTH AS MARUTI HITS RECORD SALES

CORRESPONDENT
NEW DELHI

Mahindra & Mahindra and Kia India posted some of the strongest sales growth among major passenger vehicle makers in July, while Toyota Kirloskar Motor reported a more modest increase, highlighting uneven growth across the segment even as market leader Maruti Suzuki recorded its highest-ever domestic monthly sales.

Mahindra reported a 26 per cent year-on-year increase in overall vehicle sales, including exports, to 1,03,860 units in July. Domestic SUV sales rose 20 per cent to 60,048 units, while domestic commercial vehicle sales increased 23 per cent to 25,204 units, reflecting broad-based demand across its portfolio.

"In July we achieved SUV sales of 60048 units delivering growth of 20 per cent. The total vehicle sales stood at 103860, a 26% YoY growth reflecting all-round demand traction across the portfolio," said Nalinikanth Gollagunta, CEO, Automotive Division, Mahindra & Mahindra.

Kia India also reported strong momentum, with wholesale dispatches rising 27.4 per cent year-on-year to 28,200 units, its best-ever July sales since entering the Indian market. The company said sustained demand for the Seltos and Sonet, along with the Carens Clavis and the refreshed Syros, supported the growth.

"Our best-ever July wholesale performance reflects the continued trust of our customers and the strong acceptance of Kia's diverse product portfolio," said Atul Sood, Senior Vice President - Sales & Marketing, Kia India.

Maruti Suzuki, India's largest carmaker, reported record domestic sales of 200,123 units in July, while total sales, including exports and sales to other OEMs, stood at 241,421 units. Domestic passenger vehicle sales rose to 196,203 units, while utility vehicle sales increased to 78,851 units from 52,773 units a year ago.

In contrast, Toyota Kirloskar Motor reported a relatively modest 5 per cent increase in domestic sales to 30,516 units in July.

"We registered a steady performance in July, reflecting sustained customer confidence in the Toyota brand," said Sabari Manohar, Executive Vice President, Sales-Service-Used Car Business, Toyota Kirloskar Motor.

Mahindra's July numbers also pointed to continued strength in the rural economy. Its Farm Equipment Business sold 34,420 tractors, up 20 per cent from a year earlier. The company attributed the growth to improved rainfall, better reservoir levels, faster kharif sowing and healthy farm cash flows.

"Significant recovery in rainfall, improved reservoir levels, accelerated kharif sowing aided by Government support and healthy farm cashflows has led to positive rural & farmer sentiment," said Veejay Nakra, President, Farm Equipment Business, Mahindra & Mahindra.

REPORT

RBI likely to hold repo rate at 5.25%

CORRESPONDENT
NEW DELHI

The Reserve Bank of India (RBI) is likely to keep the repo rate unchanged at 5.25% at the upcoming Monetary Policy Committee (MPC) meeting, with policymakers expected to adopt a wait-and-watch approach amid heightened uncertainty over inflation, growth and global conditions, according to a research report by Nuvama.

While a rate hike is unlikely, the RBI's guidance on the future policy path is expected to be closely watched, particularly its assessment of inflation risks, liquidity conditions and the external environment, the report said. The central bank may prioritise liquidity management over further rate action in the near term, while retaining a calibrated and flexible policy approach.

Inflation risks have become more uncertain due to supply-side factors. Oil prices remain highly volatile amid the US-Iran conflict, while disruptions in the Strait of Hormuz and the Red Sea have added to concerns over supply chains. Prospects of a weak or uneven monsoon, including risks associated with El Nino, could further put pressure on food inflation.

At the same time, several companies have implemented price hikes, adding another potential source of inflationary pressure. Against this backdrop, the MPC is likely to avoid a rate cut or hike for now and instead assess how these risks evolve. Financial conditions have already tightened in recent weeks, with India's 10-year bond yields rising. This hardening in yields reduces the immediate need for additional rate action and reinforces the case for the RBI to maintain the status quo while focusing on liquidity conditions.

The broader macroeconomic picture remains mixed. Credit growth has shown signs of improvement, although overall economic momentum remains uneven and concentrated in certain segments. The impact of GST rate cuts has provided some support to activity, but the boost could fade in the second half of FY27.

Meanwhile, intensifying El Nino-related risks could weigh on growth through their impact on agriculture and food prices. External demand also remains subdued amid uncertainty in the global backdrop for exports. The RBI is therefore expected to closely monitor demand conditions, liquidity dynamics, inflation and developments in the West Asia conflict before considering further policy action.

The stance is likely to remain flexible, allowing policymakers to respond to incoming economic data and external shocks. With the repo rate expected to remain at 5.25%, the MPC's commentary could prove more significant for markets than the rate decision itself, particularly its signals on the timing and direction of future policy moves.

CONTINUED FROM PAGE 1

DIRECT TAX COLLECTIONS RISE 12%...

On the expenditure front, the report said total government spending grew 11 per cent year-on-year in Q1FY27, lower than the 26 per cent growth recorded in the corresponding period last year. While revenue expenditure moderated due to lower interest payments, major subsidies remained elevated, rising 37 per cent year-on-year. At the same time, capital expenditure increased 24 per cent, reflecting the government's continued focus on front-loading productive spending. According to the report, the fiscal deficit stood at Rs 3.1 trillion in the first quarter, accounting for 18 per cent of the Budget Estimate for FY27, the same level as a year ago. It said prudent expenditure management and strong tax collections should help the Centre meet its fiscal deficit target, although higher crude oil and fertiliser prices could increase pressure on subsidy spending in the coming months.

The report also highlighted that bank credit growth remained broad-based. Industry credit rose to a 14-year high of 19.2 per cent year-on-year in June, supported by working capital requirements and strong lending to sectors such as infrastructure, construction and vehicle manufacturing.

Credit growth to NBFCs remained elevated at 32.2 per cent year-on-year, while vehicle loan growth stayed strong at 17.3 per cent. At the same time, credit card growth remained subdued at 1.9 per cent year-on-year, and gold loan growth decelerated below the 100 per cent mark for the first time since January 2025 as gold prices declined in June.

CONTINUED FROM PAGE 1

Critical mineral demand to surge through 2040

China currently accounts for just under 50 per cent of global copper refining, 70 per cent of lithium refining, 75 per cent of cobalt refining, 85 per cent of magnet rare-earth separation and more than 90 per cent of battery-grade graphite production.

The IEA said this imbalance could create bottlenecks even as new mining capacity comes online. Announced projects outside dominant suppliers point to substantial increases in lithium and graphite mining, but refining and cathode-material capacity remains considerably smaller.

Recycling is expected to become an increasingly important source of supply. Under STEPS, secondary supply could roughly double its share, with average recycling rates rising from around 10 per cent currently to nearly 20 per cent by 2040.

The report said timely policies to reduce investment risks and support refining, processing and recycling capacity could help create more balanced and resilient critical-mineral supply chains.

RECORD

Coal India posts record July supplies at 64.19 MT

CORRESPONDENT
NEW DELHI

Coal India Ltd (CIL) recorded its highest-ever coal supply for the month of July, with offtake rising 18.38 per cent year-on-year to 64.19 million tonnes (MT), while coal production increased 8.44 per cent to 50.36 MT, according to the company's press release. The company said the July supply was the highest ever for the month in any financial year, surpassing the previous record of 60.5 MT achieved in FY25.

"Coal India Limited (CIL) recorded a robust operational performance in July FY26-27, registering an 8.44% growth in coal production to 50.36 million tonnes (MT) and an 18.38% increase in coal supplies to 64.19 MT, over the corresponding period last year," the release said.

CIL said the strong performance followed another record month in June, when it supplied 65.95 MT of coal, the highest-ever supply for June. As a result, cumulative coal supplies during the April-July period of FY27 rose 6.9 per cent year-on-year to a record 262.04 MT, surpassing the previous high of 259.4 MT recorded during the corresponding period of FY25.

Highlighting its operational performance during the monsoon, the company said, "Despite the challenges posed by the rains, the company has recorded healthy growth in coal production." It added that it had "sustained strong momentum in coal supplies through a demand-responsive inventory optimization strategy, enabling it to maintain a comfortable balance between production and supplies."

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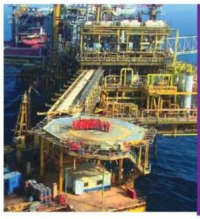


2 PETROLEUM PRODUCTS MANUFACTURER'S Q4 PROFIT JUMPS 60% ON STRONG DEMAND

3 HERE'S THE BLUEPRINT TO KEEP AI IN ITS BOX

4 U.S. BUYS YEN TO SUPPORT JAPANESE CURRENCY

FIN MIN

CENTRE ALLOCATES RS 1.09 LAKH CR MORE TO STATES

CORRESPONDENT
NEW DELHI

The Union Government on Saturday released an additional instalment of Rs 1,09,019 crore as tax devolution to state governments, ahead of the regular monthly transfer due on August 10, to help states step up capital spending and development works.

According to a Ministry of Finance release, the amount released on August 1 is "in addition to the normal monthly devolution to be released on 10th August 2026."

"This release is in line with the commitment of Government of India to strengthen the finances of States to accelerate their capital and developmental expenditure," the Ministry of Finance said in the release.

As per the ministry's statewise distribution of net proceeds of Union taxes and duties for August 2026, Uttar Pradesh received the highest allocation at Rs 17,908 crore, followed by West Bengal at Rs 7,986 crore and Maharashtra at Rs 7,022 crore.

Among other major allocations, Rajasthan received Rs 6,800 crore, Bihar Rs 5,893 crore, Tamil Nadu Rs 4,600 crore, Gujarat Rs 4,074 crore, Andhra Pradesh Rs 4,037 crore, and Madhya Pradesh Rs 3,810 crore.

Smaller states and Union Territories also received their respective shares, including Goa (Rs 399 crore), Sikkim (Rs 203 crore), Mizoram (Rs 612 crore), Nagaland (Rs 824 crore), and Tripura (Rs 699 crore).

Tax devolution is the constitutionally mandated transfer of a share of the Centre's divisible tax pool to states, based on the recommendations of the Finance Commission.

The transfers form a key source of untied revenue for states and support spending on infrastructure, social welfare and other development programmes.

The Finance Ministry said the advance release reflects the Centre's continued effort to ensure that states have adequate financial resources to sustain public investment and developmental activities.

IMPORT SURGE

Gross GST revenue rises 15.4% to over Rs 2.11 lakh crore

CORRESPONDENT
NEW DELHI

India's gross Goods and Services Tax (GST) collections rose 15.4 per cent year-on-year to Rs 2.11 lakh crore in July 2026, driven by a sharp increase in GST revenue from imports and steady growth in domestic collections, according to data released by the Goods and Services Tax Department.

Gross GST revenue stood at Rs 1.83 lakh crore in July 2025. In July 2026, domestic gross GST revenue increased 10.1 per cent to Rs 1.45 lakh crore from Rs 1.31 lakh crore a year earlier. Revenue from imports recorded a significantly stronger growth of 28.8 per cent, rising to Rs 66,511 crore from Rs 51,626 crore in July 2025.

After accounting for refunds, net GST revenue increased 15.8 per cent year-on-year to Rs 1.81 lakh crore in July 2026, compared with Rs 1.57 lakh crore in the corresponding month last year. Net domestic revenue rose 10.5 per cent to Rs 1.27 lakh crore, while net revenue from customs-related GST climbed 30.3 per cent to Rs 54,223 crore.

Total GST refunds stood at Rs 29,968 crore in July, up 13.1 per cent from Rs 26,495 crore a year earlier. Domestic refunds increased 7.3 per cent to Rs 17,680 crore, while refunds related to exports through ICEGATE rose 22.7 per cent to Rs 12,288 crore.

The cumulative picture for the financial year so far also remained positive. Gross GST collections during April-July 2026 rose 10.1 per cent to Rs 8.43 lakh crore from Rs 7.66 lakh crore in the year-ago period. Net GST revenue increased 9.2 per cent to Rs 7.21 lakh crore from Rs 6.61 lakh crore.

Among major states, Maharashtra recorded GST revenue of Rs 32,210 crore in July, up 13 per cent year-on-year, while Gujarat's collections increased 19 per cent to Rs 12,923 crore.

TOP OF SATURDAY

TATA, HYUNDAI REPORT STRONG SALES

NEW DELHI: Tata Motors Passenger Vehicles and Hyundai Motor India reported strong growth in July 2026 sales, with Tata Motors recording a 59 per cent year-on-year increase in total passenger vehicle sales and Hyundai achieving its highest-ever monthly sales, indicating robust demand across India's passenger vehicle market. Tata Motors Passenger Vehicles registered total sales of 63,760 units across domestic and international markets in July 2026, compared with 40,175 units in the same month last year, marking a 59 per cent year-on-year growth. Domestic passenger vehicle sales rose 58 per cent to 62,611 units from 39,521 units, while international business sales increased 76 per cent to 1,149 units. The company's electric vehicle business recorded particularly strong growth. EV sales, including domestic and international markets, more than doubled to 15,217 units in July 2026 from 7,124 units a year earlier, registering a 114 per cent year-on-year increase. The figures include sales by Tata Passenger Electric Mobility, a subsidiary of Tata Motors Passenger Vehicles. Meanwhile, Hyundai Motor India Limited (HMIL) reported its highest-ever monthly total sales at 75,360 units in July 2026, up 25.4 per cent from a year earlier. The figure includes domestic sales of 54,210 units, which grew 23.3 per cent year-on-year, and exports of 21,150 units, up 31.4 per cent.

CHINA'S EV BOOM CUTS FOSSIL FUEL USE

NEW DELHI: China's rapid adoption of electric vehicles is accelerating the country's shift away from fossil fuels, with oil displaced by EVs rising 42 per cent year-on-year to 33.7 million tonnes of oil equivalent (Mtoe), or 1.4 million barrels per day, in the first half of 2026, according to a Jefferies report. The report, citing a study by the Centre for Research on Energy and Clean Air (CREA), said the fossil fuel displaced by EVs during the first six months of 2026 was equivalent to 6 per cent of China's total crude oil imports in 2025, which stood at 579 million tonnes. It added that oil displaced by EVs has nearly tripled from 11.6 Mtoe, or 0.5 million barrels per day, in the first half of 2023, highlighting the growing impact of electric mobility on the country's energy consumption.

Agencies

ICICI BANK

Direct tax collections rise 12% in Q1FY27: ICICI Bank

CORRESPONDENT
MUMBAI

Strong growth in direct tax collections and robust Goods and Services Tax (GST) and customs revenues have provided the Centre with a fiscal buffer in the first quarter of FY27, helping it stay on track to meet its fiscal deficit target despite higher subsidy spending, according to an ICICI Bank report.

The report said the Centre's Gross Tax Revenue (GTR) grew 14 per cent year-on-year in Q1FY27, driven by healthy growth in both direct and indirect taxes. Net tax revenue rose even faster, increasing 38 per cent year-on-year during the quarter, supported by lower transfers to states in June.

Direct tax collections increased 12 per cent year-on-year in the first quarter, with corporate tax collections rising 20 per cent, reflecting robust corporate profitability. The report also noted that as of July 13, net direct tax collections had accelerated further, growing 16.4 per cent year-on-year, indicating continued momentum in tax receipts.

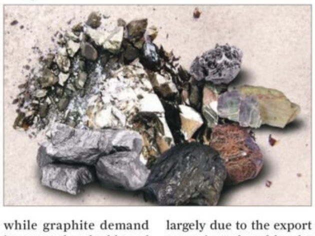
"The sustained strength in revenue receipts provides an important fiscal buffer and remains a key positive amid the prevailing global uncertainties," the report said.

P2

IEA

Critical mineral demand to surge through 2040

CORRESPONDENT
NEW DELHI



Global demand for critical minerals is set to rise strongly through 2040, driven by the expansion of electric vehicles, battery storage, renewable energy and electricity networks, while supply gaps for key minerals such as copper and lithium are expected to persist, according to the International Energy Agency's (IEA).

The report suggests that meeting future demand will require more than USD 750 billion in investment in mining and refining between now and 2040 under the Stated Policies Scenario (STEPS). Copper is expected to account for the largest share of investment at about USD 310 billion, followed by nickel at USD 280 billion.

The IEA projects lithium demand to more than triple by 2040 under STEPS, while graphite demand is expected to double and nickel demand to increase by 65 per cent. Rare earth demand is projected to rise by around 50 per cent, while copper demand is set to grow by more than 25 per cent, adding around 7 million tonnes by 2040.

Despite a growing pipeline of mining projects, the agency said supply gaps for copper and lithium could remain through 2035. A gap also emerges for cobalt, largely due to the export quota introduced by the Democratic Republic of the Congo, while nickel's supply outlook has tightened somewhat compared with last year.

The bigger vulnerability lies further down the supply chain. Mining projects are becoming more geographically diversified, but refining and downstream processing remain highly concentrated.

P2

EXCHANGE SETTLEMENT

NSE pays Rs 714.74 crore demand to SEBI

CORRESPONDENT
NEW DELHI

The National Stock Exchange of India Limited (NSE) has made a payment of Rs 714.74 crore towards a demand raised by the Securities and Exchange Board of India (SEBI), as part of the exchange's proposed settlement with the market regulator.

In an exchange filing on Friday, NSE said the payment follows SEBI's communication regarding the in-principle acceptance of the revised settlement terms proposed by the company. The exchange had disclosed the development in an earlier intimation dated July 30, 2026.

The latest payment is in addition to a deposit of Rs 776.47 crore that NSE had previously made with SEBI. According to the exchange, the earlier deposit and the payment made against the demand notice dated July 30, 2026, will be adjusted against the total settlement amount of Rs 1,491.21 crore.

"The Company has made a payment of the demand of Rs. 714.74 crore," NSE said in its filing.

The combined amount of Rs 776.47 crore deposited earlier and the latest payment of Rs 714.74 crore comes to Rs 1,491.21 crore, matching the settlement amount proposed under the revised terms.

NSE said the disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, had already been provided in its July 30 filing. The exchange also referred to the applicable SEBI Master Circular dated January 30, 2026, governing such disclosures.

The development comes as NSE continues to address regulatory matters with SEBI through the settlement mechanism. The exchange had earlier informed the stock exchanges about SEBI's in-principle acceptance of the revised settlement terms.

The latest filing primarily confirms that the financial obligation associated with the demand has been paid and clarifies how the amount deposited earlier with SEBI will be adjusted against the overall settlement amount.

NSE, which operates India's largest stock exchange by trading volumes across several segments, is required to make regulatory disclosures under the SEBI Listing Regulations regarding material developments that may affect the company.