



AIREA News

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- **Commerce and Industry Minister Piyush Goyal announced that the proposed India-Peru Free Trade Agreement is unlikely to conclude soon due to market access concerns, even as trade pact negotiations with Canada and the EU continue to progress.**
- **Prime Minister Narendra Modi's upcoming visit to Australia is expected to significantly deepen bilateral economic ties through anticipated agreements on uranium supply, critical minerals, clean energy, and cybersecurity.**
- **India's policy of diverting heavily subsidized surplus rice to ethanol production is exacerbating economic burdens and accelerating environmental degradation, particularly severe groundwater depletion.**
- **Commerce Minister Piyush Goyal urged Indian toy makers to leverage Free Trade Agreements (FTAs) to build global brands and access major markets, while also noting that the Canada trade deal is progressing toward a conclusion but the Peru FTA talks have stalled due to market-access hurdles.**
- **The India-UK Free Trade Agreement has established strict Rules of Origin norms, requiring a 35-55% minimum local value addition for manufactured goods and wholly local sourcing for agricultural products to qualify for duty benefits.**
- **India urgently needs to rationalize its interlocking rice policies—including open-ended procurement, excessive subsidies, and the diversion of food stocks for ethanol—to mitigate severe economic costs and escalating environmental degradation.**
- **The Uttar Pradesh government is rapidly advancing its digital identity initiative for farmers, having completed over 82% of its Farmer Registry target to ensure transparent and efficient access to government agricultural schemes.**
- **Punjab is facing an unprecedented grain storage crisis that has stalled the milling of previous harvests and threatens the upcoming paddy procurement, prompting urgent appeals for the central government to expedite grain movement to other states.**
- **A revived and active southwest monsoon is expected to reduce India's cumulative rainfall deficit and significantly boost the currently lagging kharif crop sowing.**



- A confirmed El Niño event and the ensuing threat of a weak monsoon raise significant concerns for India's economy, with anticipated mixed impacts on agricultural output, inflation, rural income, and allied market sectors, despite mitigating factors like increased irrigation penetration.
- The Telangana government plans to offer incentives for the large-scale modernization of rice mills to transform the state into India's leading rice processing and export hub.
- Paddy farmers in Davangere have been advised to suspend cultivation and wait until the end of July due to inadequate rainfall and low water levels in the Bhadra dam.
- The Centre has revamped the organic farming certification framework by restricting Regional Councils to single-state operations to enhance accountability, quality control, and localized support.

MARKET TRADE INSIGHT

USDINR

Likely to trade with a mild downside bias, as weak US non-farm payroll data weighs on the greenback. Stable unemployment and steady wage growth in the US may limit sharp dollar weakness. Importer demand for the dollar, elevated crude oil prices, and ongoing geopolitical risks could restrict any significant rupee appreciation. Lower thresholds continue to provide a safety net, while immediate overhead ceilings cap further progress.

EURINR

Trading with a mild positive bias, as a softer US dollar following the weak payroll data supports the euro. Stable US unemployment and steady wage growth may limit sharp dollar weakness, capping aggressive upside in the pair. Mixed domestic growth signals and cautious expectations around central bank rate decisions could keep overall gains measured. Supported by established near-term technical floors, with clear upper boundaries defining overhead resistance.

GBPINR

Trading with a mild positive bias, supported by a softer US dollar following weak US employment data. Limiting Factors: Resilient US unemployment and steady wage growth could limit deeper dollar weakness, keeping sterling gains measured. Mixed domestic economic signals and cautious policy expectations from the central bank may restrict a sharp upside in the pound. Lower thresholds continue to provide a safety net, while immediate overhead ceilings cap further progress.