



AIREA News

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- Scanty June rainfall has driven a 21% year-on-year decline in total Kharif sowing and a 13% drop in paddy acreage, though a recent monsoon revival in central and southern India is expected to boost upcoming pulses and oilseeds cultivation.
- Despite a major recovery in paddy sowing driven by surplus early-July rains, overall kharif crop acreage remains 21% lower than last year due to significant deficits in coarse cereals, pulses, and oilseeds.
- Faltering monsoon rains and critically low water levels in the Tungabhadra reservoir are threatening Karnataka's vital first kharif paddy crop, jeopardizing both farmers' livelihoods and the broader regional agricultural economy.
- Kharif paddy sowing in Canacona is being significantly hindered by a severe labor shortage and the effects of a delayed monsoon, leaving many fields uncultivated.
- The looming threat of an El Niño-driven weak monsoon risks weakening India's economy by reducing agricultural output and surging food inflation, highlighting an urgent need to "drought-proof" the farming sector through improved irrigation and risk management.

Market Trade Insight

USD INR

The currency pair traded firm, supported by persistent dollar demand and a relatively steady Dollar Index (DXY). Weak U.S. payrolls capped dollar gains, while better unemployment data and stable wage growth limited the downside. Lower crude prices supported the Rupee, keeping the pair range-bound



Euro INR

The pair traded firm, supported by the Euro holding strong against the Dollar after weak U.S. payrolls weighed on the greenback. Improved Eurozone investor sentiment provided additional support to the Euro, though steady Dollar capped further gains.

GBP INR

The pair traded firm as Sterling recovered against the Dollar after weak U.S. payrolls reduced Federal Reserve rate-hike expectations. Gains for the Sterling remained capped by softer crude prices and reduced expectations of further Bank of England monetary tightening.

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