



AIREA News : 23rd October 2026

1. Big impact of deficient monsoon

India's deficient southwest monsoon has reduced reservoir storage to 126.7 BCM, around 24% below last year's level, raising concerns over rabi crop production. Water shortages could affect wheat and other irrigated crops, making water-efficient farming, micro-irrigation and a shift towards less water-intensive crops increasingly important.

2. Watch for El Nino's delayed fallout

Despite a modest 1.2% year-on-year decline in kharif sown area, rainfall deficits and El Niño risks could significantly affect crop yields, agricultural growth and rural incomes. The impact may become more visible in the second half of FY27, with lower farm output and weaker rural consumption posing risks to economic growth.

3. FTA with New Zealand — a Pacific gateway for Indian industry

The India-New Zealand Free Trade Agreement, implemented on 20 October 2026, provides Indian exporters with duty-free access across New Zealand's tariff lines and opens opportunities in textiles, leather, engineering, processed foods and other sectors. The CII has urged exporters, particularly MSMEs, to engage with New Zealand buyers, verify rules of origin and use export promotion schemes to benefit from the agreement and expand into Pacific markets.

4. Market Trade Insight | 23 Oct 2026

- USDINR: Buy-on-dips bias; elevated crude and dollar demand may pressure the rupee.
- USD: Supported by inflation concerns and safe-haven demand; monitor US data and Fed signals.
- EURUSD: Cautious bearish bias while broad dollar strength persists.
- GBPUSD: Direction depends on dollar momentum and global risk sentiment.
- Gold: Bearish pressure from rising yields and energy-driven inflation concerns.
- Overall View: Expect volatile trading; maintain disciplined risk management and await confirmation before entering trades.