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SBI Research

SUCH A LONG JOURNEY

Global headwinds and proliferating series of exogenous shocks create a TINA (There Is No Alternative) syndrome for world currencies as unconnected nations are embroiled in a proxy war that has multiple second and third order impacts…But does the latest news really indicate cessation of hostilities may be around the corner??.....

Issue # 46, FY26 Date: 23-March-2026

Unfolding Crisis Gathers Momentum

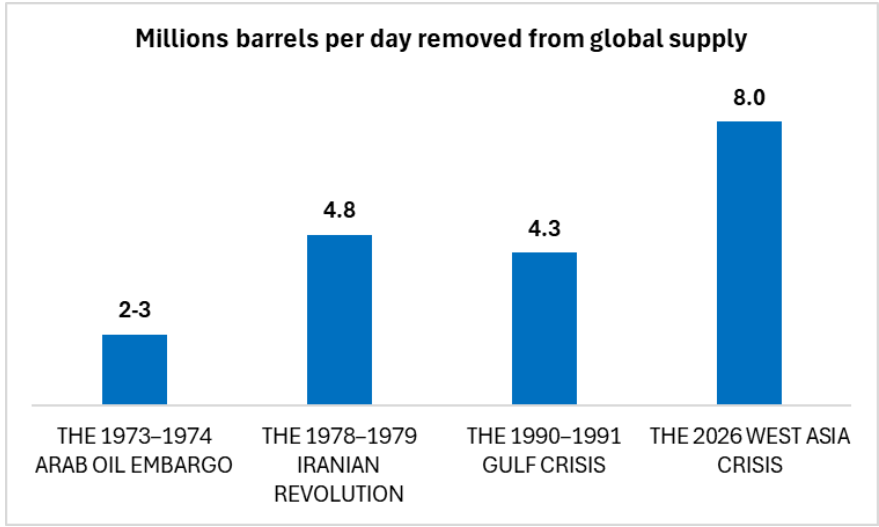
Strike Postponed: Stock Market Surges…Oil Tumbles… All in a Flux though!

Stagflation risks loom large if the war prolongs and trade is disrupted with an imperfect storm brewing in Jobs..

- Basis our understanding, the severity of the crisis is unfolding at a higher pace, gauged by the oil supply removed from global supply chains (The International Energy Agency said on 12 Mar report that the closure of the Strait of Hormuz has triggered **the largest disruption to global oil markets in history**, with supply expected to fall by ~8 million barrels per day in March, likely to have scaled up considerably)

- Drawing a parallel between the OAPEC Oil shock of 1973 that lasted a few month, and the severity of the present crisis shrouded in the mystery of the distant horizons as Hormuz remains virtually cut off from energy lifeline, the implications on economies needs a hard check given heightened debt levels

- Global growth projections, jobs and corporate earnings are most vulnerable to loops of '**what if**' scenarios



- Gold, usually an object of desire in risk-off sentiments, has suffered with fading expectations of rate cuts by the Fed …. Also, base metals are exposed to demand destructions, chiefly from fading engines of Mainland China that can be counter cyclical once the situation improves and markets recalibrate to normalcy

- Amidst the tempest, India's strategy of keeping the drivers of a robust domestic demand on the treadmill seems the **Best** choice, that along with impetus on exports while creating viable import alternatives, and efficiency embedded through digital solutions can anchor the otherwise perilous journey for the country

Source: AP/NPR, Reuters SBI Research

Middle East Crude Benchmarks on a boil…. Atlantic / WTI to converge?

- With a spike in local Arab benchmarks driven by rising demands from Asian sovereigns against broken production capacities/supply chains, there are increased postulations of WTI/Brent converging to higher levels that are less driven by a limited shock and more fundamentally / structurally altered across energy markets

GME Crude Oil Oman May '26

Crude Dubai 1st Line Mar26

Crude Oil Murban May '26

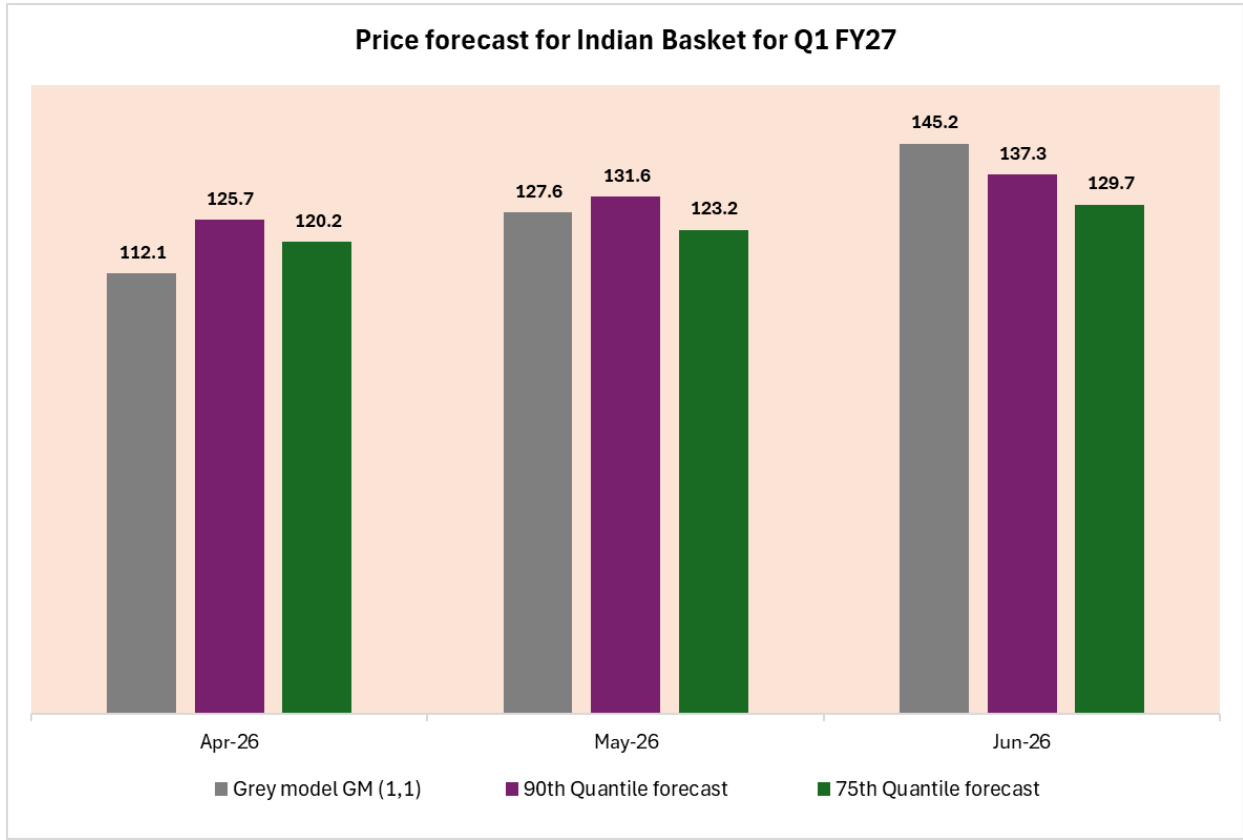
Spike in prices though remain limited to near / immediate months contracts, signaling markets are ready to live by the gun

WTI May26

Source: Barchart

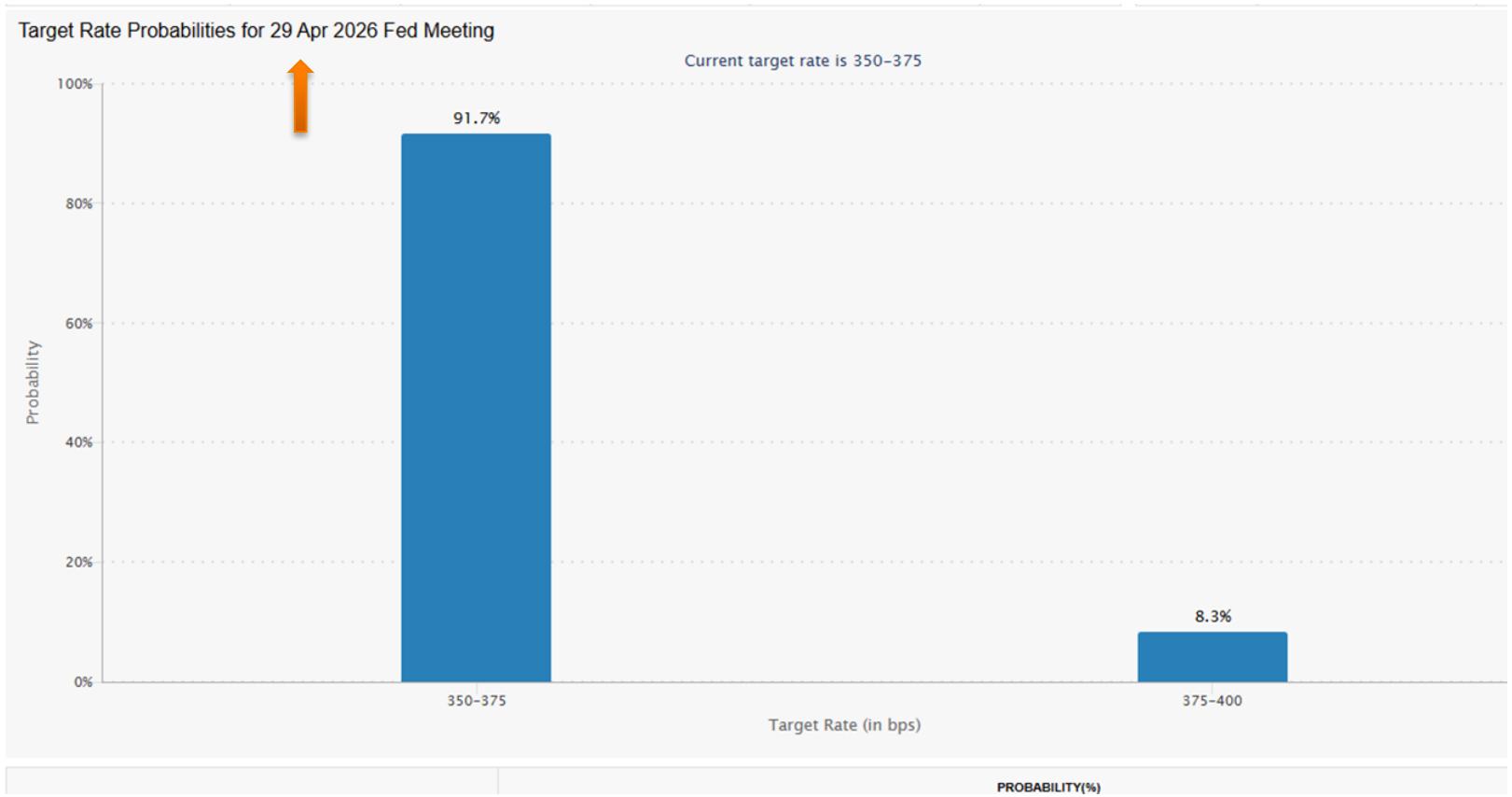
Expected future path for Indian Basket could remain elevated

- The Indian Basket is expected to stay elevated for the first Quarter of FY27
- As per PPAC, for Mar'26 average monthly price for the Indian basket is at 119.3 per barrel
- An autoregressive quantile regression (QAR) model is estimated to obtain conditional quantile forecasts, allowing for a distribution-sensitive characterization of oil price dynamics
- ***Scenario-1:*** **If the hostilities continue then the price is expected to be in the range $125 to $137 per barrel**
- ***Scenario-2:*** **If there is a decline in the hostilities and there is a possibility of ceasefire, then the price may settle in the range of $109 to $112 per barrel in the medium term before making a retreat**



Fed actions are a prisoner of the war… Inflation can return to US playbook

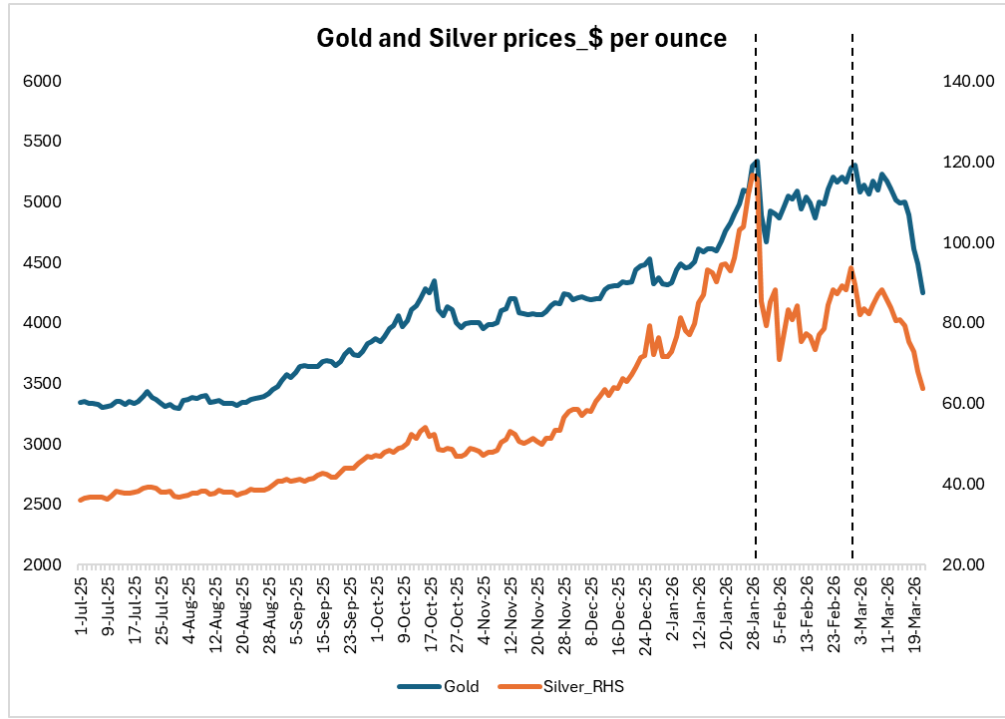
- With a distorted global supply chain, over and above the tariff induced uncertainties, and rising energy prices stoking fears of inflation, the expectations of at least two rate cuts woven around the US Fed, during the current year, are being recalibrated..With the Dollar hitch hiking to its lost glory timidly amidst the hullabaloo as one of the few credible investment avenues, the pullback of crude to higher levels amidst rising demands and a deep fall in precious metals / commodities should decide the course of currencies….



Source: CME Fedwatch

We expect a smart recovery in Gold/Silver prices soon once the dust settles

- Since the starting of the conflict, Gold and silver prices are exhibiting waning strength due to heavy sell-off by investors
- Most often, metals including precious metals, are juxtaposed to the Greenback, a weaker Dollar fueling a rally (over and above demand driven dynamics) while a stronger USD diminishes the appeal of the commodities that are largely priced in the dominant currency
- Given the structural imbalances globally, paving the way of the Dollar crawling to an uncontested peak, metals pack have taken a beating with prices of Gold and Silver hamstrung most by the sudden assault emanating from the conflict and the clouds on industrial demand
- Interestingly, nations may need to infuse liquidity to revive the demand impetus, crawling out of the precarious situation once the conflict abates, a perfect bazooka for the role reversal with precious metals offer a citadel from imperfect multipolarity of the world
- While recent actions of Central Banks are not available in public domain, we believe most could return to the table, accumulating more of precious metals in their coffers, anchoring another leg of a Bull run that goes concurrently with apprehensions cast on sustainability of elevated debt plans of both sovereigns, as also hyper scalers in next 2-3 years



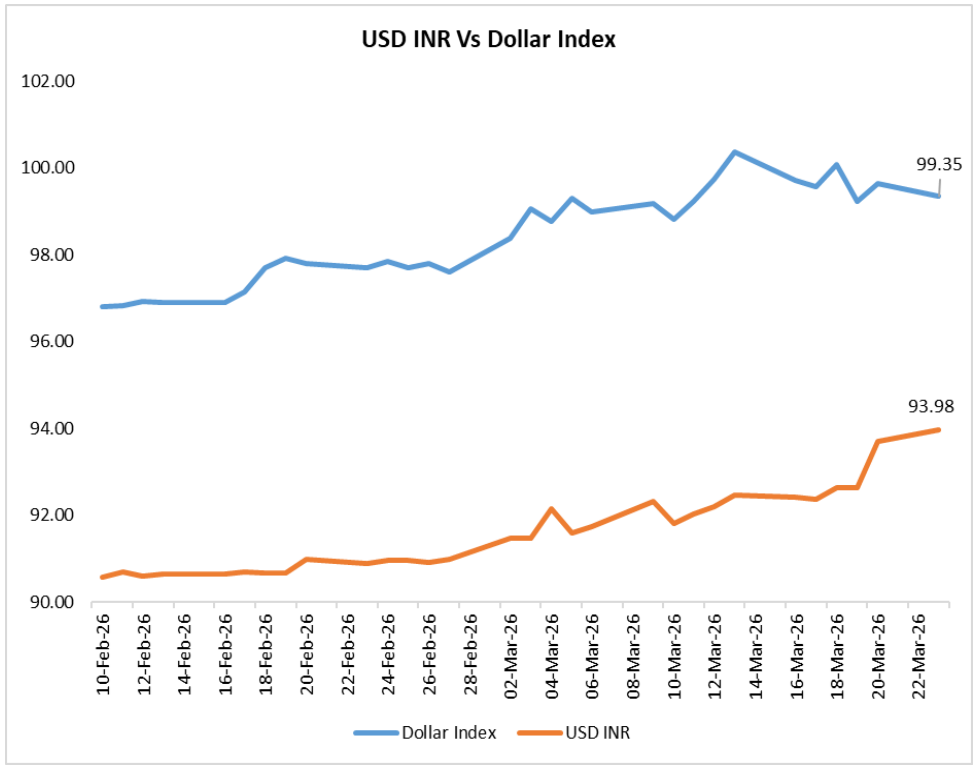
Source: Bloomberg

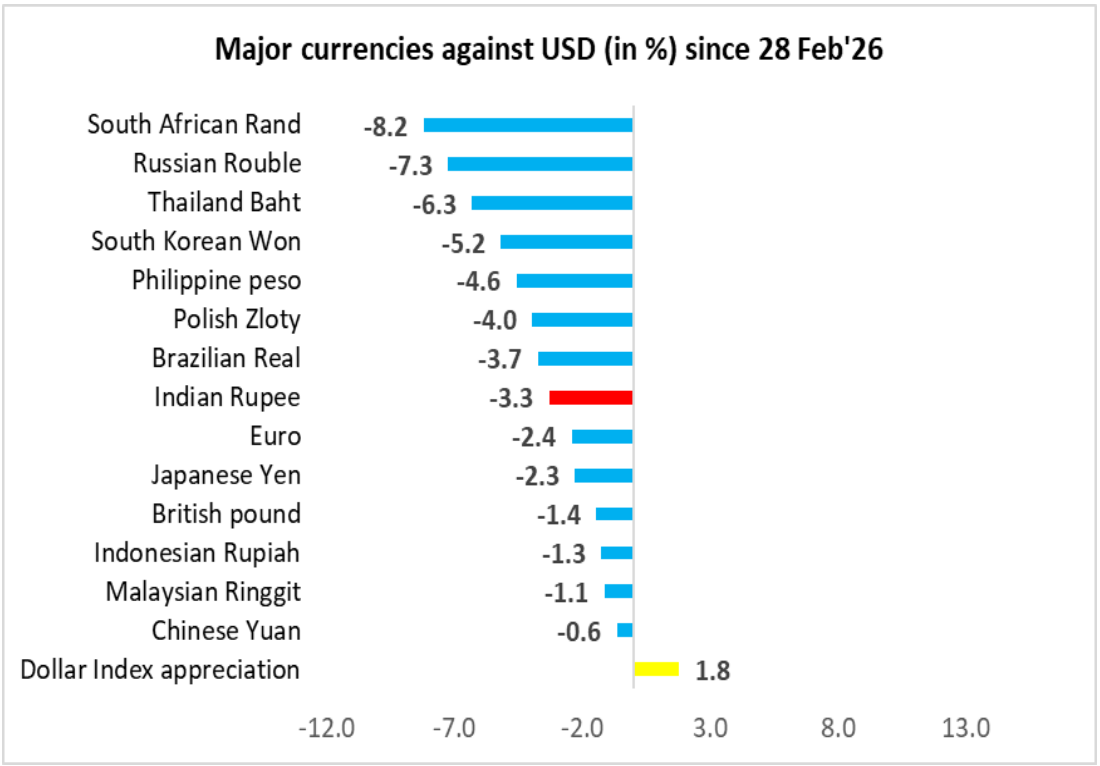
Spillover Impact on Indian Economy

1. Rupee Depreciation: Rupee is not acting as a shock absorber

Rupee almost breached the INR 94 /USD for the first time

- Amidst the ongoing West Asia conflict escalation, Indian rupee breached the 93 level for the first time (considered a distant cap in exchange range pre-war)… **However, the pace of slide during this tumultuous period has been moderate compared to other peer nations as also DM currencies** given the unabated strengthening of the Greenback amidst a swelling risk-off sentiment

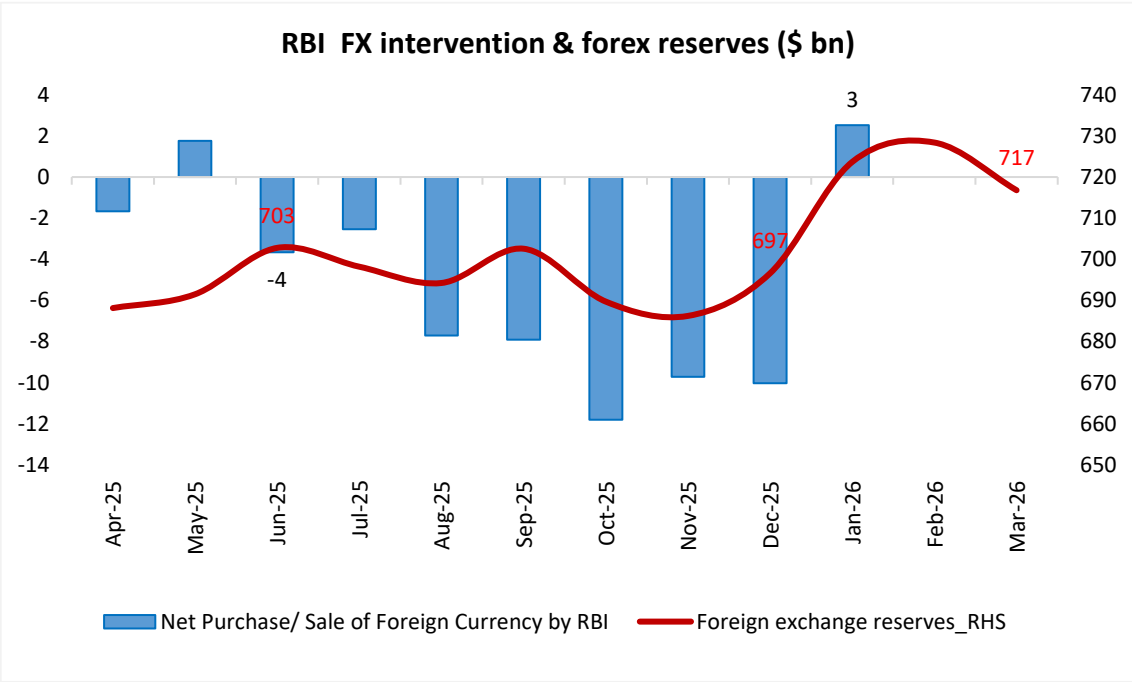


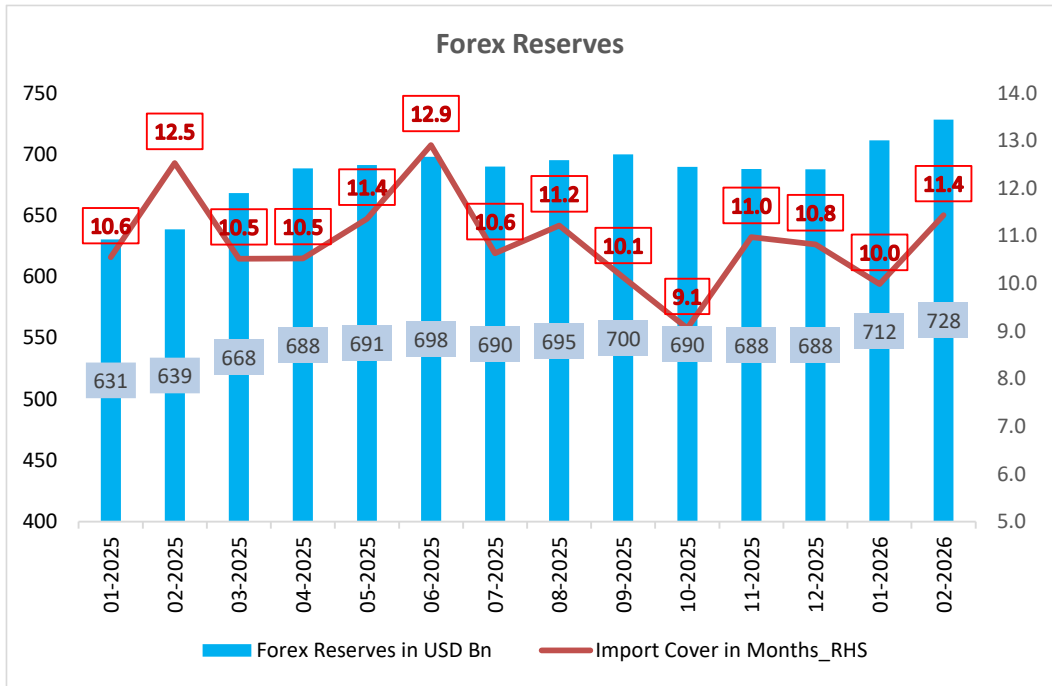


RBI has been actively intervening to manage ER volatility

- RBI has net sold $53 bn between April 2025 to December 2025. Going by the current swings, we believe the intervention could be of a higher order post Jan26 (Feb-March'26)

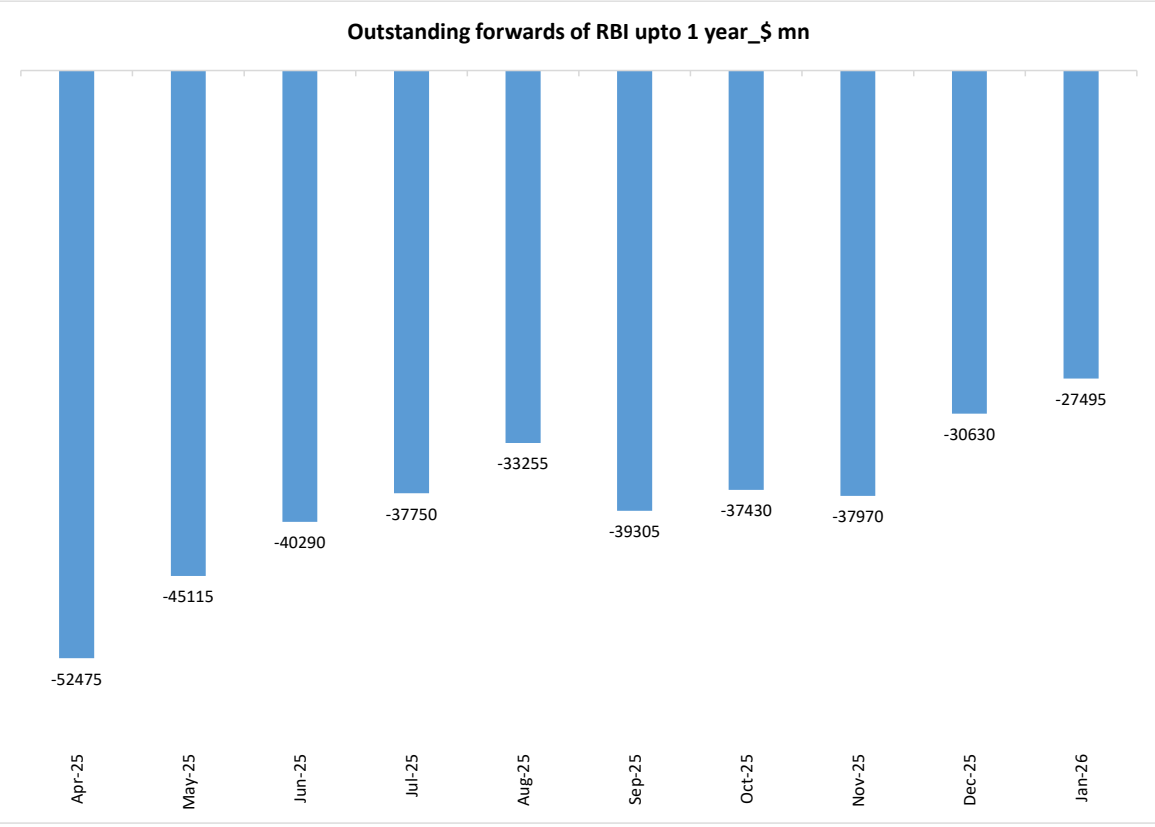
- During the same time foreign exchange reserves have increased from $688 bn in April 2025 to $697 bn in December 2025. **However, excluding Gold & SDR, reserves declined from $586 bn to $559 bn during the same period signifying stress accruing on the Central Bank through intervention / volatility containments**

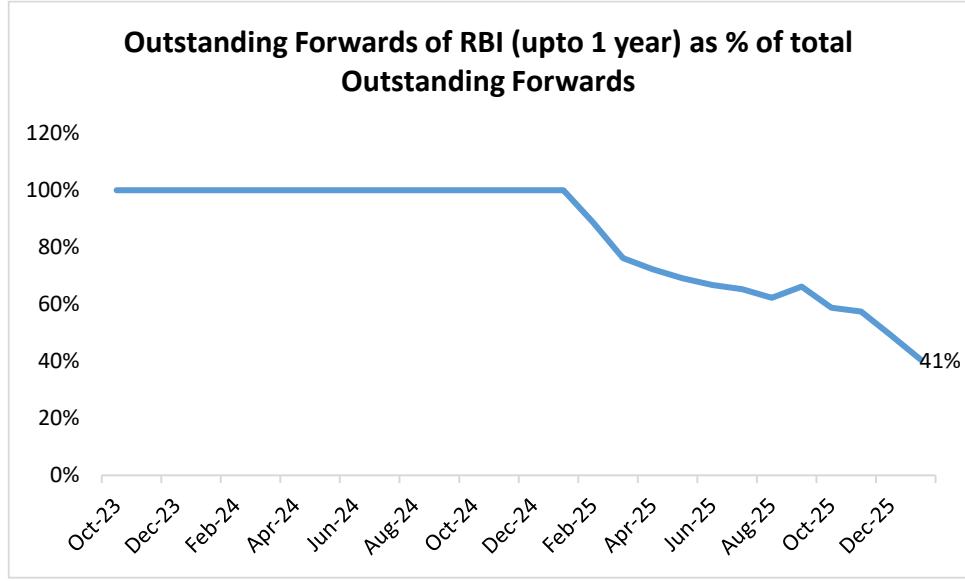




Outstanding Forwards show RBI has been moving towards higher maturity forwards

- Maturity breakdown of outstanding forwards indicate RBI has been moving towards higher maturity forwards, pivoting from concentration in shorter term forwards till Jan'25… this alleviates the canter of gravity by shifting maturity from near settlement to long dated ones, a much-needed reprieve as the momentum of exogenous shocks (first trade / then conflict) gathers steams though the swaps / hedging costs take away some of the sheen in volatile periods





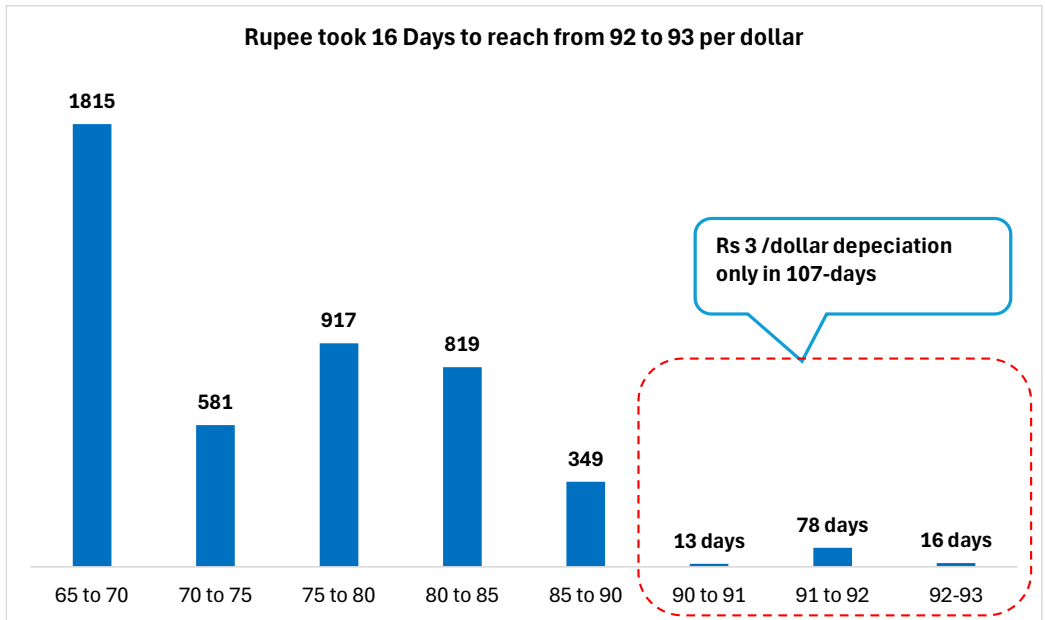
Turnover in Foreign Exchange Market shows lower excess demand in Feb'26

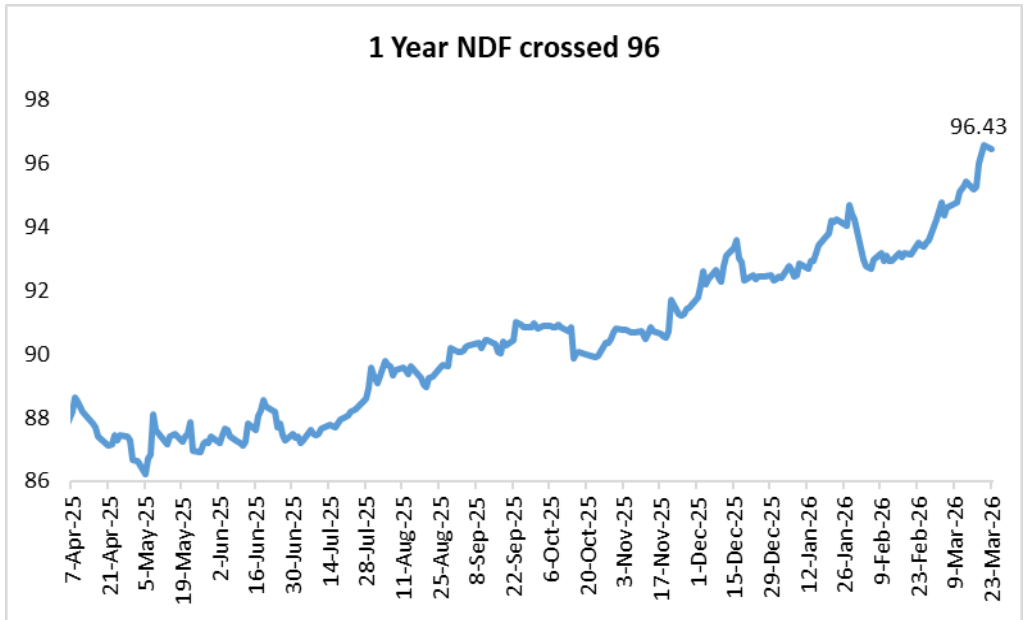
- Regular intervention by the central bank on both sides by selling the dollar to prevent sharp depreciation and on some days buying the dollar when the rupee is appreciating has helped the rupee remain less volatile through the current year
- Current data signals merchant demand driven more in the forwards (over spot) as the volatile currency markets hedge the future flows significantly… Volumes in February have however been lower vis-à-vis immediate prior months, Jan26 / Nov-Dec'25 (on monthly adjusted days basis for Feb) as there was some semblance of rupee winning back the lost grounds earlier… With new pressure emanating in March, the markets seem poised for heightened activities, genuine demands eclipsed by rampant speculation

Turnover in Foreign Exchange Market ($ mn)_Excess demand (sale -purchase)								
Month	Merchant			Interbank			Grand Total	IB SWAP Excess Demand
	Forward Excess Demand	Spot Excess Demand	Total Excess Demand	Forward Excess Demand	Spot Excess Demand	Total Excess Demand		
Feb-26	22,952	-4,258	18,694	-15,177	-11,862	-27,039	-8,345	-70,884
Jan-26	28,601	6,106	34,707	-15,808	-15,952	-31,760	2,947	-66,094
Dec-25	27,329	-1,023	26,306	-4,342	-17,077	-21,419	4,887	-41,725
Nov-25	35,268	6,715	41,983	1,880	-15,948	-14,068	27,915	-43,742
Oct-25	23,711	11,134	34,845	-9,232	-17,193	-26,425	8,420	-19,858
Sep-25	21,599	11,635	33,234	-6,109	-17,621	-23,730	9,504	-42,543
Aug-25	16,546	5,251	21,797	-6,990	-6,194	-13,184	8,614	-56,337
Jul-25	7,724	4,907	12,631	5,940	-11,378	-5,438	7,193	-93,381
Jun-25	14,909	-3,625	11,284	3,471	-9,213	-5,742	5,542	-64,931
May-25	17,282	-2,078	15,204	-5,696	-3,718	-9,414	5,790	-55,835
Apr-25	20,446	1,918	22,364	-1,416	-4,233	-5,649	16,715	-46,339
Mar-25	35,125	-12,296	22,829	21,995	-22,121	-126	22,703	-94,706
Feb-25	26,253	1,068	27,321	-964	-39,400	-40,364	-13,043	-45,392
Jan-25	26,256	4,410	30,666	-5,172	-46,154	-51,326	-20,660	-29,805
Source: RBI, SBI Research								

Rupee might take a severe hit if war stretches for 'a little longer'!

- Rupee which took almost a year to depreciate by Rs 5 per dollar to reach the Rs 90 mark plunged and crossed Rs 93 mark today. Since the start of the West Asia war, Rupee has depreciated by 2.74% in just 21 days! Presently, 1 yr NDF is trading at Rs 96.43 while most volatility remains concentrated in near term NDFs
- Going forward, if the war stretches beyond 10 days, Rupee is likely to face depreciation headwinds further (considering no significant intervention by the RBI)
- ***Scenario-1*** : War continues for another month: Rupee might cross Rs 96/$
- ***Scenario-2*** : War stops in another 7-10 days : Rupee is likely to be largely trading in the range of Rs 91.5-94.5/$





Source: Bloomberg; SBI Research

The argument that Rupee act as a shock absorber and hence be allowed to depreciate does not hold beyond a point ….

- To evaluate to what extent Rupee can act as a shock absorber, we conduct a short-run empirical analysis using monthly data from Apr-24 to capture the recent impact specifically in the present situation of rising uncertainties. We estimate the exchange rate elasticities of exports using VAR model:

$$y_t = c + \sum_{j=1}^{P} A_j Y_{t-i} + u_t \qquad y_t = \begin{bmatrix} x_t \\ E_t \end{bmatrix}$$

- The coefficients βX is elasticity, measuring the responsiveness of exports to exchange rate movements. **The estimated elasticities, βX=0.548 is although positive (<1) but statistically insignificant implying that the exports are inelastic to exchange rate movements.**
- However, our earlier estimates (For analysis conducted for FY25) showed that export elasticity to exchange rate was positive and statistically significant implying that Rupee did act as a shock absorber
- The two estimates highlight that : ***Rupee cannot act as a shock absorber beyond a threshold after which it does not absorb shock any further***

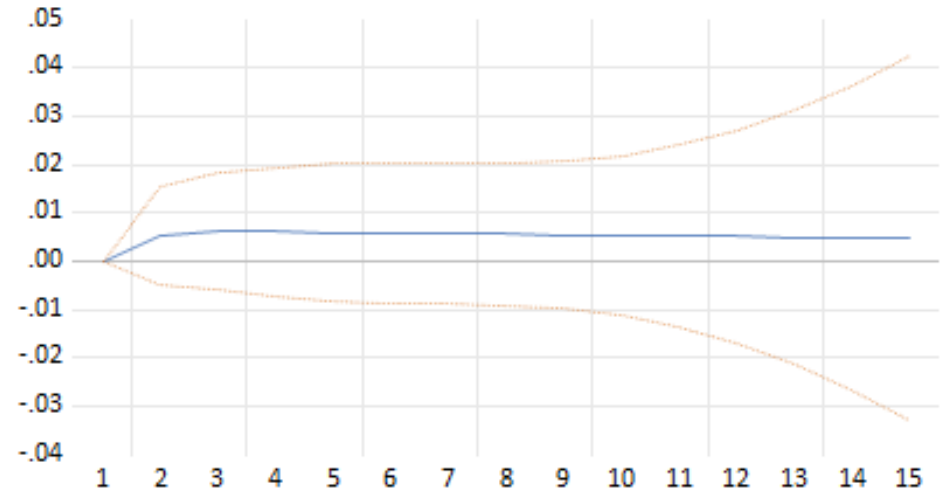
Export Elasticity		
Exports	Coefficient	T stat
LNER(-1)	0.548	1.054
(-0.51982)		

Exports- Import elasticities		
Exports	Coefficient	p value
ER	1.71	0.102*
Imports	Coefficient	p value
ER	-1.23	0.083*
* significant at 10%		

…..Export dynamics show exchange rate insensitivity…

- To examine the dynamic response of exports to exchange rate movements, we also constructed impulse response functions using a Cholesky decomposition. The impulse responses trace the effect of a one–standard-deviation shock to the exchange rate, interpreted as an exogenous rupee depreciation, on exports and imports over subsequent months while purging contemporaneous correlation across innovations.
- The impulse response indicates that exports respond weakly to exchange rate shocks, with the magnitude of response remaining small and statistically insignificant across all horizons. The confidence intervals consistently include zero, suggesting the absence of a robust transmission mechanism.
- **Further, in Jan'26 exports grew a mere 0.6% (y-o-y) while since Jan'25 Rupee has depreciated by approx. 6%. A similar pattern is observed in Dec'25 as well**
- ***This implies that exchange rate depreciation does not significantly stimulate exports thereby indicating that the rupee is no longer functioning as an effective shock absorber***

Response of Cholesky 1S.D shock to Exports



Time period (Months)

Impact on Banks due to Rupee Depreciation is not negative

- **Net positive Impact on P&L of Banks:** The impact of rupee depreciation will result in a positive impact on the profitability of foreign operations of the bank with an increase in concomitant value of foreign currency assets and will thus have a net positive impact on Bank's P&L. However, there will be slightly increased capital consumption due to Rupee depreciation

  - On the other hand, any possible impact on foreign currency liabilities in rupee terms is unlikely to have any adverse impact to the extent that the exposures are hedged

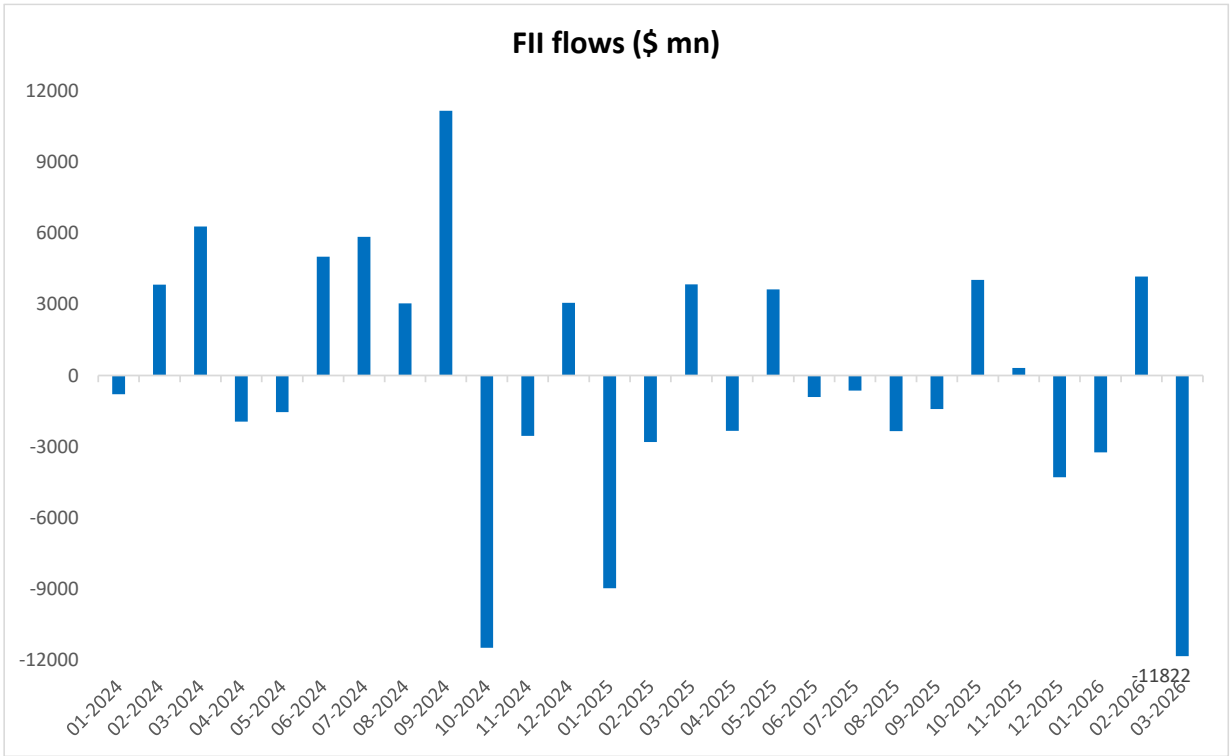
- **Remittances** Interestingly, India, being the largest recipient of remittances from overseas, will see increased inflows from Indian diaspora due to more attractive exchange rate. This apart, deposits are not marked to market and are usually fully lent out. This means there will be little to no impact of Rupee depreciation on FCNR(B) book

- **Exports:** For importers, weaker INR could lead to lower margins but mostly such importers (like jewellers) may gain on their exports and / or may be able to pass on the increased raw material costs. Thus it is unlikely to have any material impact on the bank. Additionally, weaker INR would mean size of exports and imports in rupee terms will go up, which could increase the loan sizes for trade finance business of the Bank

2. FII/FDI Outflows

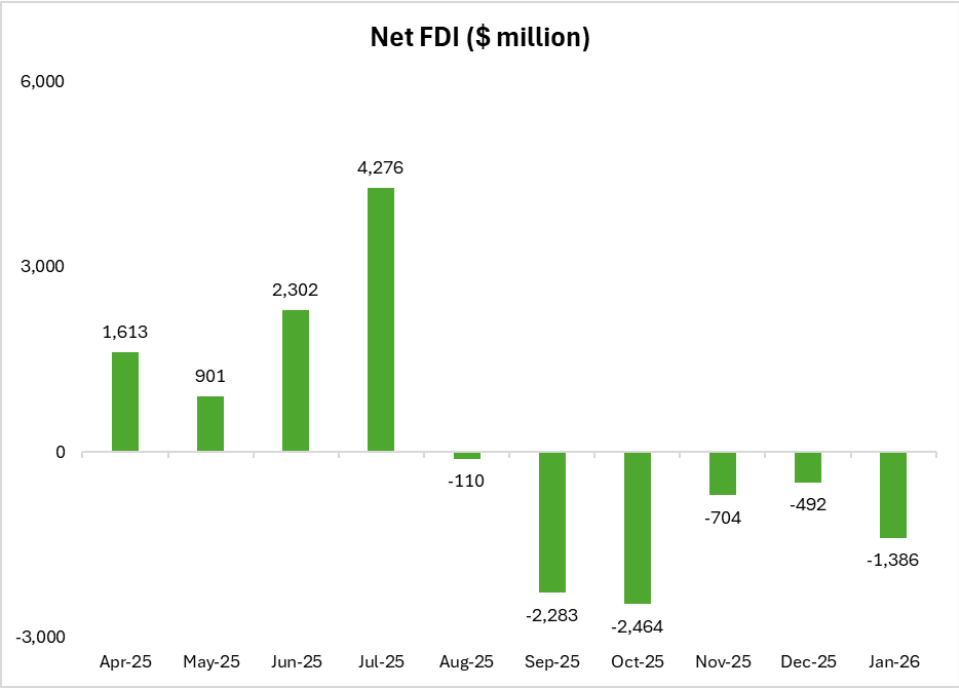
Significant FII Outflows, March outflows could be highest ever in history

- FIIs, in particular the Global hot money, have been withdrawing / reallocating at a significant pace with FY26 witnessing ~$14.3 bn outflows, **with March2026 (YTD) alone registering outflows worth ~$11.8 bn so far**…This is one of the highest outflows in a month, with Mar'20 having $15 bn FII outflows**. With a few days still left in March perhaps it could become the worst month for FPI flows since 1991**
- Cracks in private credit globally, rocked by redemptions pressure from investors triggering capping on withdrawals while performance worries on underlying exposures take center stage as also incremental deployment in AI / Defense sectors bets seems to be driving the shift



India's Net FDI is in Negative for 5th Straight Month…higher Outward FDI & Repatriation of Funds

- India's net FDI has been negative for 5th consecutive month, reaching a net outflow of $1.4 billion in Jan'26 as repatriation and disinvestment by foreign companies outpaced fresh inflows
- In Jan'26, repatriation/disinvestment amounted to $4.9 billion and outward FDI is $2.1 billion (enabled by exits through listings mostly). The gross FDI inflows is $5.7 billion. Thus, there is a negative of $1.4 billion of net FDI in Jan'26
- Cumulatively, during the 10MFY26 (Apr-Jan), there is a gross FDI inflow of $79.3 billion while outflows of $77.7 billion by repatriation/disinvestment and outward FDI. So, the net FDI is $1.7 billion during this period, compared to $2.2 billion during Apr-Jan'2025



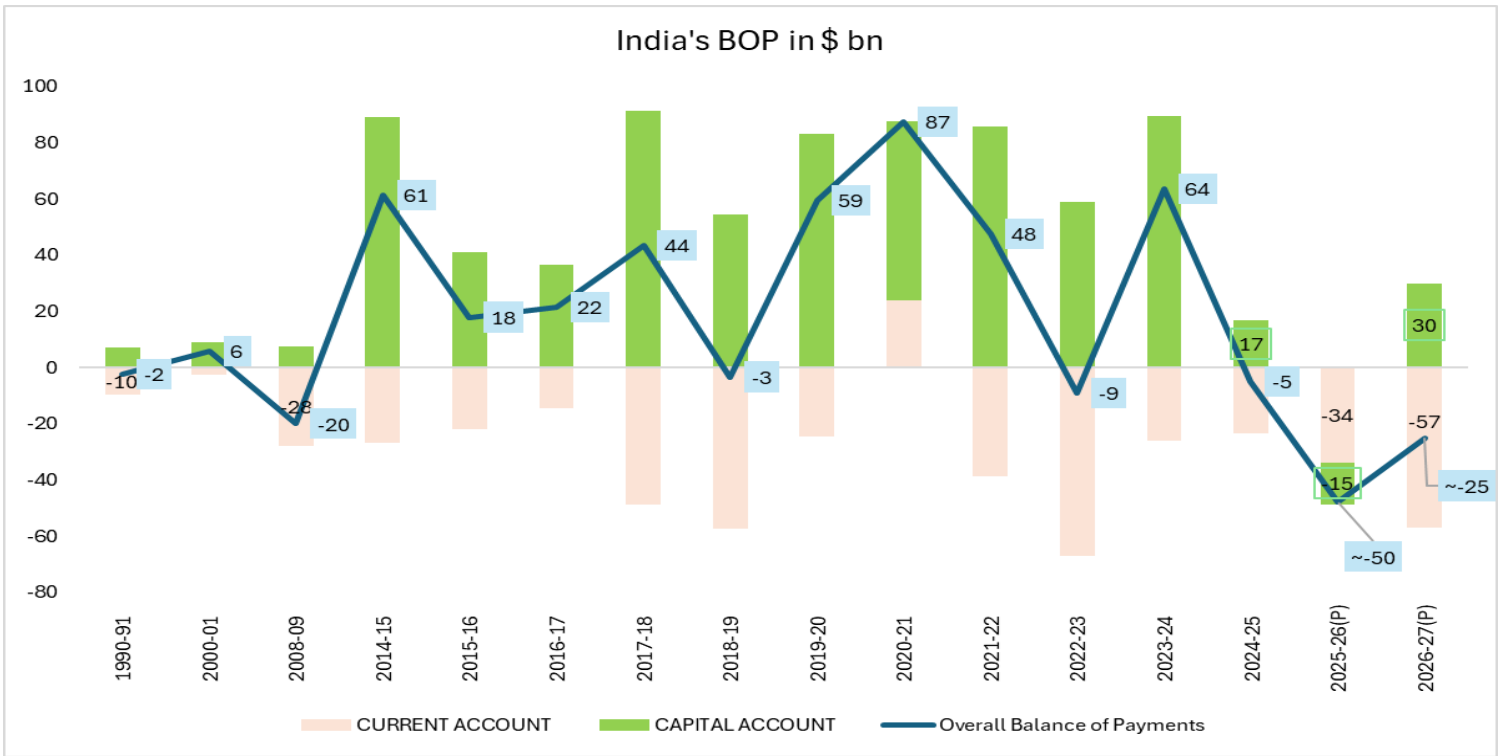
India's Net FDI Trend ($ million)				
Year	Net FDI	Gross Inflows/Gross Investments	Repatriation/ Disinvestment (Equity & Others))	Outward FDI
2019-20	43.0	74.4	18.4	13.0
2020-21	44.0	82.0	27.0	11.0
2021-22	38.6	84.8	28.6	17.6
2022-23	28.0	71.4	29.3	14.0
2023-24	10.2	71.3	44.5	16.7
2024-25	1.0	80.6	51.5	28.2
2024-25 (Apr-Jan)	2.2	69.2	46.5	20.5
2025-26 (Ap-Jan)	1.7	79.3	49.5	28.1
Source: RBI				

3. BoP

CAD expected at 1.3-1.5% of GDP for FY27; BoP also expected to be in deficit (~$25 bn), Capital Account is expected to be negative in FY26, first time since 1991(Available data)

- With oil price increasing, our import bill will likely increase. Our estimates show that for every $1/bbl increase in oil price our import bill increases by $1.5-$2.0 bn
- We expect CAD to be around $60 bn (or 1.3-1.5% of GDP), assuming $100/bbl oil price
- Meanwhile, our Balance of Payment too is expected to be in deficit for the third consecutive year, ~$24 bn. Notably, we believe that FDI and FII are modestly positive in FY27 and if these are lower than expectations and FIIs continue to outflow the overall BoP deficit will increase further

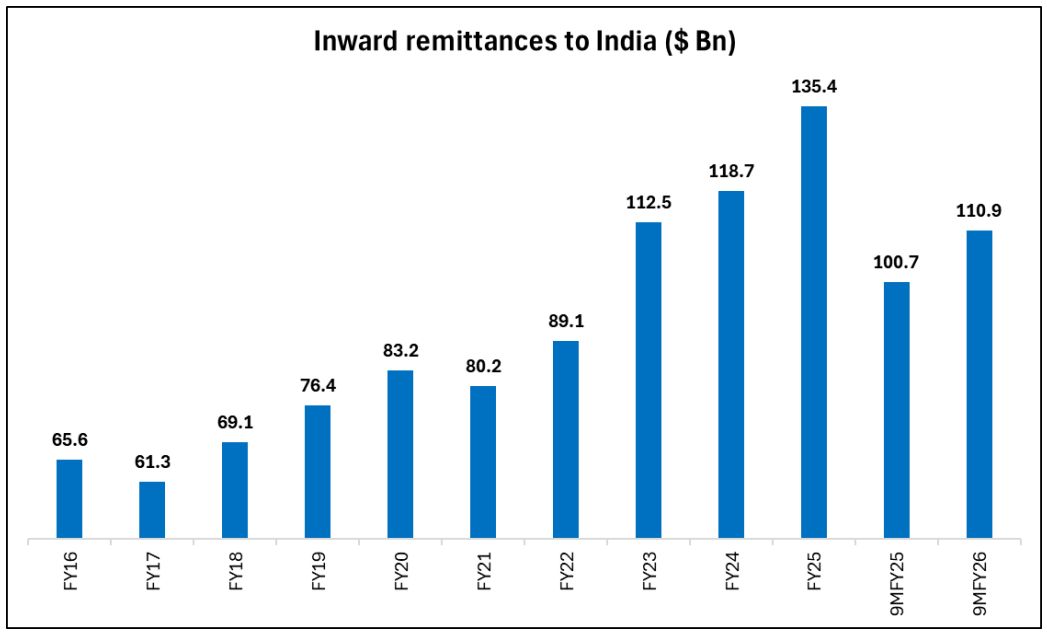
India's BoP Estimation($ bn)				
	2008-09	2024-25	2025-26(P)	2026-27(P)
Overall Balance of Payments	**-20.1**	**-5.03**	**-48.92**	**-24.00**
CURRENT ACCOUNT	**-27.9**	**-23.4**	**-33.9**	**-57.0**
As % of GDP	-2.6	-0.6	-0.9	-1.5
Export	189.0	441.8	443.4	465.0
Import	308.5	729.0	781.6	840.0
Oil	-	185.8	176.8	241.8
Gold	-	58.0	72.0	75.0
Trade Balance	**-119.5**	**-287.2**	**-338.1**	**-375.0**
Service Export	106.0	387.5	424.1	460.0
Service Import	52.0	198.7	208.0	215.0
Service Trade balnce	**53.9**	**188.8**	**216.1**	**245.0**
Transfers	44.8	123.4	137.3	135.0
Income	-7.1	-48.4	-49.2	-62.0
CAPITAL ACCOUNT	**7.4**	**16.8**	**-15.0**	**33.0**
Foreign Direct Investment	22.4	1.0	2.0	5.0
Portfolio Investment	-14.0	3.6	-12.0	10.0
Others including loans/ capital/ Rupee debt servicee	-0.9	12.3	-6.0	17.0
Errors & Omission	0.4	1.5	1.0	1.0
Source: RBI,SBI Research				

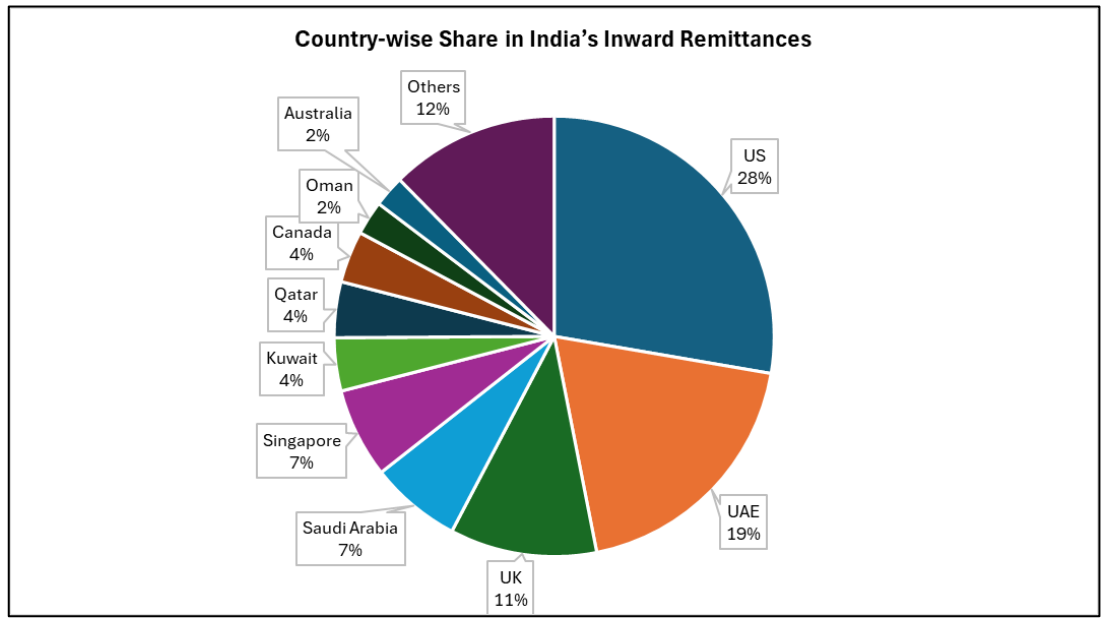


4. Remittances unlikely to be impacted

Remittances may still reach $140-45 billion in FY26

- India had the world's largest diaspora, with over 3.5 crore people of Indian origin living abroad (as of 2024). Out of which, around 90 lakh-1 crore Indian expatriates live and work across the six Gulf Cooperation Council (GCC) countries — Saudi Arabia, Kuwait, the UAE, Qatar, Bahrain, and Oman — constituting the largest foreign workforce in the region
- India has topped global remittances for over 25 years since the information technology boom in the 1990s and has consequently received over $100 billion for the third year in a row in FY25. In FY25, diaspora remittances hit a new record of $135.4 billion compared to $118.7 billion in FY24, an increase of 14%. During FY26 (till Dec) India received remittances of ~$110 billion, compared to ~ $100 billion during Apr-Dec'25





In FY27, Remittances may hold in the current range of $135-140 billion dollar

With the increased escalation in West Asia, the following impacts may affect remittances to India:

- **Declining Inflows:** Prolonged war could cause job losses in construction services and energy sectors
- **Reverse Migration:** Escalating violence increases the need for large-scale evacuations, halting remittances and placing economic strain on households. We have seen similar reverse migration during Covid-19 pandemic but it is expected that once things normalise, people will again move to the workplaces. So, remittances will not much impacted in FY27

Outlook

- In the post conflict period, we have seen an incremental jump of around 30-35% remittances from West Asia during March 2025, which is mainly due to risk aversion, and fear of worsening conflict and potential evacuations
- **Based on the data of FY20 and FY21, we expect remittances to India may reach all time high of $137-140 billion in FY26 but will be in the range of $135-137 billion in FY27**

5. Liquidity, Bond Yields Corporate Profitability

Core liquidity may come down below Rs 1 lakh crore in Q1 FY27

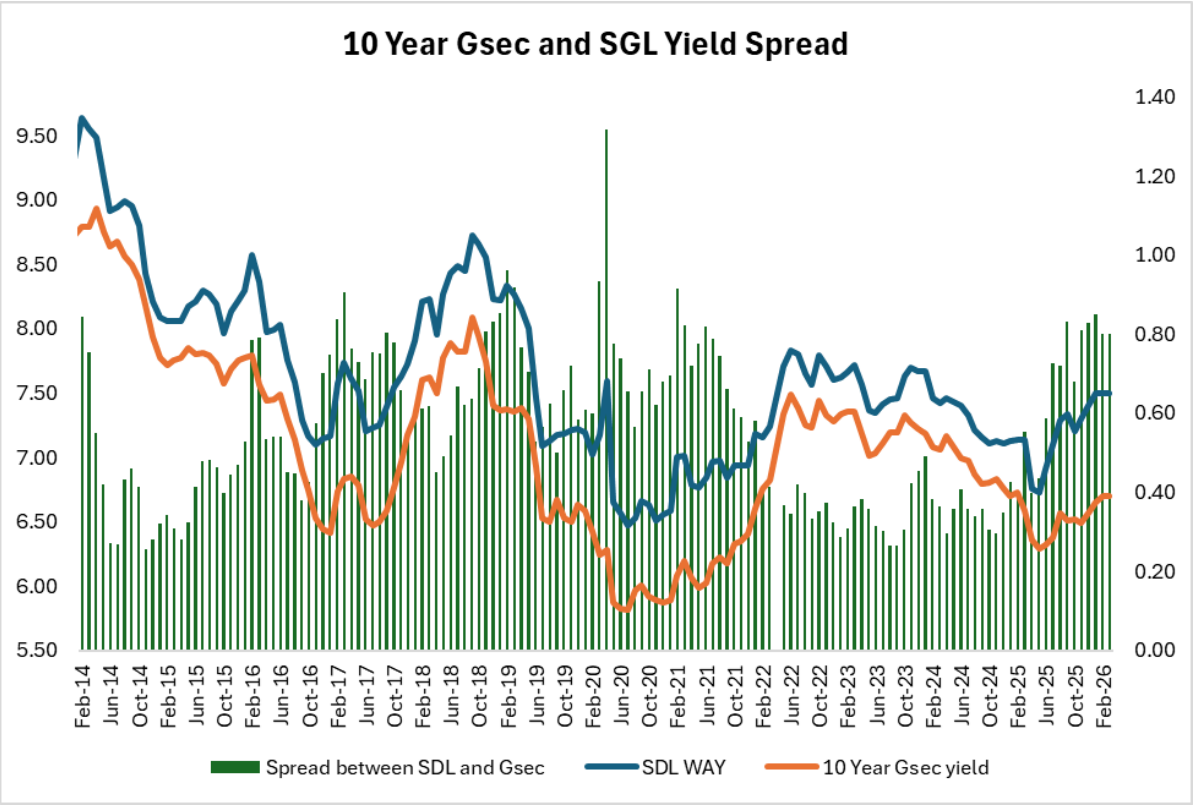
- Liquidity surplus which was around Rs 5 lakh crore, is expected to come down to ~Rs 4 lakh crore, with injection through OMO around Rs 1.7 lakh crore (including outright OMOs by RBI)
- **System liquidity will be around Rs 1.6 lakh crore billion after adjusting for Government cash balances**
- So far RBI has injected liquidity of Rs 7.2 lakh crore in FY26 through various measures
- **Assuming forex intervention by RBI continues, we believe that RBI would have to still do OMO purchases to prevent core liquidity below Rs 1 lakh crore by Q1 FY27**

Liquidity Estimation (Rs Lakh Cr)	
Items	Rs bn
Core liquidity surplus as on Feb'26	5.0
1. Currency in circulation	-0.9
2. Forex purchase by RBI	-1.4
3. Open Market Operations by RBI	1.7
4. Required CRR at 3%	0.0
Core liquidity as on end Mar 26 (sum of 1 to 4)	**4.4**
Memo items:	
System liquidity [Net Absorption (+) / Injection (-)] as at end-period (Approx) after adjusting for Government cash balances	~1.6
Source: SBI Research	

Net Injection in FY26 Till date	
Indicators	**Rs lakh crore**
Forex Sale (till Dec25)	-4.5
CRR cut	2.5
Buy sell swap	2.3
OMO incuding secondary	8.8
CIC circulation	-3.5
VRR	1.6
Total	**7.2**

10 Year Gsec yield has touched 6.84%..Room for upside

- 10 Year Gsec yield has moved upwards and topped 6.84% today, amid the current turmoil
- SDL Weighted average yield has moved to 7.48%, thereby increasing the spread G sec and SDL to 82 bps in Q4 FY26 from 75 bps in Q3 FY26



Impacted sectors & Corporate Profitability

- The following sectors are going to be impacted due to the ongoing crisis in West Asia, some through input cost escalation, others due to primary feedstock disruption, shipping disruption and LNG shortages
- The total revenue of these sectors amount to Rs 13.75 lakh crore in FY25 (which is ~40% of the overall listed entities) and under severe scenario it can result in loss in revenue which is upto 80 bps from the GDP

Impacted Sectors & Corporate Result (FY25, % yoy)		
Sector	**Revenue**	**PAT**
Fertilizers	4%	110%
FMCG	12%	27%
Textiles	5%	-53%
Leather	3%	-22%
Paper	2%	-42%
Crude Oil & Natural Gas	1%	-31%
Chemicals & Pahrmaceuticals	11%	11%
Plastic products	1%	-20%
Mining & Mineral products	8%	18%
Steel, Non Ferrous Metals & Ferro Alloys	3.3%	8.5%
Capital Goods - Electrical Equipment	23%	57%
Power Generation & Distribution, Power Infrastructure, Gas Distribution	3%	17%
Construction & Realty	10%	-129%
Hotels & Restaurants	13%	32%
Logistics	7%	36%
Shipping	-16%	-44%
Air Transport Service	21%	60%
Banks & financial Services	9%	4%
Source: SBI Reseach, Cline		

Scenario Analysis: Overall Impact of listed entities in these industries (FY27)			
Scenario	**Assumption**	**Revenue loss in Rs lakh crore**	**Loss as % of GDP**
Scenario 1: Baseline	Revenue gets hit by 5%	0.69	0.20%
Scenario 2: Mild	Revenue gets hit by 10%	1.38	0.40%
Scenario 3: Severe	Revenue gets hit by 20%	2.75	0.80%

Impact on India's Agriculture Sector is not significant as off now

- The crisis don't have any immediate production shock but represents high probability input-cost and food-inflation shock over the next 1/2 crop cycles, with risk concentrated in fertilizers, diesel and logistics. The upcoming Kharif season may see rise in input prices, if disruption persists
- India's fertilizer stocks are in a comfortable position but **adoption of Nano fertilizers to reduce conventional DAP/Urea**
- India's top agricultural exports to the Gulf Cooperation Council (GCC) include rice (basmati and non-basmati), buffalo meat, spices, fruits, vegetables, and marine products

India top 10 Agri Export to GCC ($ Mn)

Commodity	Apr-Jan FY25	Apr-Jan FY26	% share in Overall GCC Export
RICE -BASMOTI	1,724	1,507	3.1
BUFFALO MEAT	600	841	1.7
SPICES	465	567	1.2
RICE(OTHER THAN BASMOTI)	276	380	0.8
FRESH FRUITS	193	234	0.5
FRESH VEGETABLES	204	233	0.5
TEA	188	220	0.5
MARINE PRODUCTS	210	211	0.4
DAIRY PRODUCTS	226	199	0.4
POULTRY PRODUCTS	69	167	0.3
Total	**46,797**	**48,781**	100.0

Fertilizer Stock Position

Product (LMT)	Stock as on 19.03.2026	Stock as on 19.03.2025
Urea	61.14	55.22
DAP	24.24	11.85
NPKs	57.21	34.44
SSP	24.8	23.15
MOP	12.65	14.13

Source: SBI Research

The true shock absorbers

India’s Reserves are significantly adequate even after adjusting for stress outflows

Reserve Adequacy Based on Keynesian Motives (US$ Billion)	
Transaction's Motive (@ 6 Months imports at $70 billion)	420.00
Precautionary motive (Estimated debt servicing FY27)	70.00
Speculative motive (Short term debt and FII @2x current year outlow)	142.00
Required reserves	**632.00**
Current Actual FX Reserves (Ex gold)	**575.00**
BOJ Bilateral Swap Arrangement	**75.00**
Total effective reserves	**650.00**

India's recent FTA agreements are largely positive

- India runs FTA with a number of countries/groups with total exports to such amounting to $219 bn in FY25 (or ~50% of India's total exports), while imports from these countries/group amounted to $337 bn in FY25 (or ~47% of India's total imports)
- The recent India-EU FTA is the most promising one accounting for 17.3% of India's total exports, and aspires for mutual benefits given EU's clout in technology, R&D and high end manufacturing

India's FTA's with Countries/ Group _ Summary in 2025					
Countries/ Group	**India's Export to FTA partners in FY25 $ mn**	**India's Import from FTA partners in FY25 $ mn**	**Export Share in India's total Export**	**Import Share in India's total Import**	**FTA Partner GDP share % in World GDP**
India - Sri Lanka	4,551	1,303	1.0	0.2	0.1
India - Singapore	12,976	21,282	3.0	3.0	0.5
India -Korea, Republic of	5,820	21,064	1.3	2.9	1.6
India - Malaysia	7,317	12,539	1.7	1.7	0.4
India - Japan	6,249	18,915	1.4	2.6	3.7
India-ASEAN	38,964	84,150	8.9	11.7	3.6
India - Mauritius	676	211	0.2	0.0	0.0
India - United Arab Emirates	36,638	63,403	8.4	8.8	0.5
India - Australia	8,581	15,526	2.0	2.2	1.6
India EFTA	1,967	22,441	0.4	3.1	1.3
India – UK	14,550	8,583	3.3	1.2	3.4
India-Oman	4,065	6,549	0.9	0.9	0.1
India-New Zealand	711	587	0.2	0.1	0.2
India -EU	75,854	60,681	17.3	8.4	18.0
India's total	**4,37,705**	**7,21,200**	**100.0**	**100.0**	**3.5**

Recent measures to address external sector vulnerability

- Japan and India renewed the Bilateral Swap Arrangement (BSA) effective from February 28, 2026. The size of the BSA remains unchanged, that is, up to 75 billion US Dollars

- Cabinet approves changes in guidelines on investments from countries sharing land border with India

- An 'economic stabilisation fund' of $6 billion to provide fiscal headroom for the country to respond to global headwinds

- Government has approved RELIEF – Resilience & Logistics Intervention for Export Facilitation under the Export Promotion Mission. Intervention responds to logistics disruptions and cost escalation in the Gulf and West Asia maritime corridor

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