Currency Updates

- While some believe the rupee will keep weakening due to foreign investor outflows, global uncertainties, and tariff impacts, others say fears are exaggerated.
- Key counterpoints include:
  - The rupee is not excessively depreciating; it is relatively stable compared to other major currencies.
  - US dollar strength and higher US interest rates caused temporary pressure on the rupee.
  - India's economic fundamentals remain strong — growth above 7%, cooling inflation, robust consumption, and rising corporate earnings.
  - Exports and trade numbers are improving, and correction in stock prices may attract foreign portfolio investors back.
  - If the AI bubble cools and global sentiment shifts, foreign investors may return to India.
  - Domestic reforms, tax measures, and policy stability support long-term rupee strength.
  - Overall, the discussion concludes that fears of sustained rupee weakness are likely exaggerated, and the currency's outlook for 2026 may be more stable and positive than widely assumed.

Stock Updates

- **Larsen & Toubro (L&T)** says India can build small modular nuclear reactors (SMRs) at least 30% cheaper than global competitors, thanks to decades of nuclear engineering experience and cost efficiencies. While global SMR costs range from ₹50–100 crore per MW, L&T estimates India could manufacture them at around ₹30 crore per MW, depending on design.
- However, commercial viability remains uncertain until large-scale deployment happens. Export prospects exist but L&T believes domestic demand itself is substantial. India's current Pressurised Heavy Water Reactors (PHWRs) are globally competitive, and rising nuclear interest in Asia could create export opportunities.
- Challenges include:
    1. Lack of green finance classification for nuclear energy
    2. Higher GST of 18% on nuclear equipment vs 5% on renewables
    3. No viability gap funding support
    4. Private sector role still evolving
- L&T says it is open to participating not only as an equipment supplier but also as a potential owner-operator of nuclear plants in the future, especially with growing power needs from data centers and AI infrastructure.