

Midnight News Update: 04-05 Jan 2026

In an audacious and controversial move, the US has captured President Nicolas Maduro from his home in Venezuela. Trump's interest is not so much in Venezuela as in the oil beneath the surface. Venezuela has the second largest proven reserves of oil in the world after Saudi Arabia. Amid global sanctions, Venezuela's oil infrastructure has been languishing for over a decade. While India has been non-committal about the action, it has offered support to the people of Venezuela. The US action could allow ONGC Videsh to recover \$1 billion in dues from Venezuela.

Chandrababu Naidu is weaving his reformist magic once again. In the first 9 months of FY26, state of Andhra Pradesh has captured 25.3% of all proposed investments into India; ahead of Odisha at 13.1% and Maharashtra at 12.8%. It also signals a shift to the Eastern and Southern corridors. The total investment commitments are to the tune of ₹26.60 Trillion. The flows have picked up after India cut income tax and GST rates as a response to the US tariffs. The major sectors attracting flows are the renewable energy sector and the metals sector.

Inflows into equity mutual fund schemes reportedly fell in 2025; marking the first YOY fall since the pandemic. This could be attributed to lower market returns in last 2 years and drying up of quality NFOs. On the positive side, SIP flows have continued to accelerate. According to AMFI, equity MF flows in 2025 stood at ₹3.22 Trillion, compared to ₹3.94 Trillion in 2024. Market returns were in the range of 8-10% in the last 2 years, which is not too impressive reward for the risk. Year 2024 was dominated by thematic fund NFOs, which have fallen sharply in 2025.

Government cleared a total of 22 projects under the Electronics Components Manufacturing Scheme (ECMS) valued at ₹41,863 Crore. The big beneficiaries were Tata Electronics, Motherson Group, and Yuzhan Technology (Indian arm of Foxconn). The projected production worth ₹2.58 Trillion will generate 33,791 direct jobs. Mobile phone enclosures were 65% of total investment. The other beneficiaries under this tranche include ATL Battery Technology (India) for lithium-ion cells, NPSPL Advanced Materials for anode material, Wipro Hydraulics and others.

The minerals and metals vertical of Larsen & Toubro (L&T) secured major orders from SAIL for EPC projects in India. These are orders in the vicinity of ₹10,000 Crore. SAIL plans to increase its crude steel capacity from 2.5 MTPA to 6.5 MTPA at its IISCO plant in Burnpur. L&T has been awarded the engineering, procurement and installation package for critical process plants. This includes the coke oven battery, by-product plant, basic oxygen furnace and a specialised equipment package for material handling. There are also orders coming from the Bokaro Steel Plant.

Japan has invested close to \$9 billion in India this year through mergers and acquisitions (M&A), which is the best in any year so far. The biggest was the MUFG-Shriram deal worth \$4.4 billion, while JFE Holdings will infuse \$1.75 billion into Bhushan Power & Steel. This is the biggest year for Japanese investments in India since ArcelorMittal and Nippon Steel bought Essar Steel in 2019 for \$7 Billion. In addition, Mizuho took a controlling stake in Avendus while SMBC took a 20% stake in Yes Bank. Clearly, Japan is taking an aggressive inorganic approach to EMs.

The government of India has finalized 09-January as the date when the OFS of Bharat Coking Coal (a subsidiary of Coal India Ltd) will open for subscription. It will entirely be an offer for sale (OFS). Coal India will offer 47.47 crore shares of Bharat Coking Coal, with an anchor allocation slated on 08-January. Issue details are expected on Monday. Coal India has been looking to unlock value in its subsidiaries and Bharat Coking Coal is first of the block. It will also be selling a stake in Central Mine Planning and Design Institute (CMPDIL); followed by other CIL subsidiaries.

Economists are slightly divided on the capex commitment by the government in the February 2026 Union Budget. For FY26, the capex is expected to exceed the Budget Estimate (BE) of ₹11.21 trillion. In the last couple of months, the capex has slowed due to pressure on net tax revenues, but that should pick up in the last 4 months of FY26. It is expected that the government may prefer to go slow on revenue spending but would not forsake capex investments. Recent trends indicate a slight moderation in capex by -21% yoy in the last 2 months. That can impact GDP growth!

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