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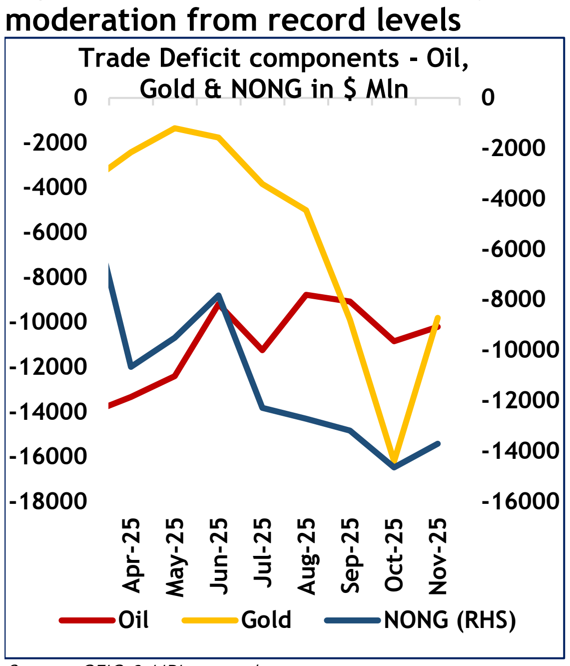
Fig 1: Nov'25 Trade deficit likely saw moderation from record levels



Source: CEIC & UBI research

Fig 2: India's Oil import volumes saw a pickup in Nov'25

Supplier	October 2025 Imports (mbpd)	November 2025 Imports (mbpd)	Share of Total (%)
Russia	~1.60	~1.90	~38%
Iraq	~0.83	~1.10	~22%
Saudi Arabia	~0.67	~0.95	~19%
United States	~0.57	~0.44	~9%
UAE	~0.36	~0.4	~8%
Others	~0.78	~0.15	~3%
Total	~4.81	~5.00	100%

Source: Kpler & UBI research

Fig 3: India's gold demand has been resilient in FY26 despite price spike

India's Gold Imports	
Year	Gold Imports (In metric tonnes)
FY19	982.71
FY20	719.93
FY21	651.24
FY22	879.05
FY23	678.35
FY24	795.32
FY25	757.09
Apr-Oct'24	461.91
Apr-Oct'25	427.22

Source: CEIC & UBI research

Data release	Due date	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25 (Projected)
Trade Balance ($ bln)	15th Dec'25	-26.6	-22.1	-18.8	-27.4	-26.5	-32.2	-41.7	-33.7

Nov'25 Trade Deficit likely narrowed from record $41.7bn mark in Oct'25

- **India's merchandise trade deficit** likely moderated to **$33.7bln** in Nov'25, compared to record **$41.7bln** in Oct'25, driven primarily by a dip in Gold imports. As per media reports, Gold imports corrected on seasonality post festive gold demand led spike during Diwali and Dhanteras faded. That said, import demand stayed healthy at ~80tonnes on wedding-led jewellery buying apart from steady investment interest. While global commodity prices saw only a marginal increase — with the ***CRY Index edging little up to 301.10 from 298.60*** a month earlier (likely on metal price pickup) — overall trade dynamics were likely pressured by a stalemate in the US-India trade deal, which continue to weigh on outbound shipments. (Refer report: Oct'25 Trade Deficit surges to record $41.68bln as Imports Hit Historic Highs; Exports Tumble)
- **Oil deficit** likely stayed in double digits; highlighting strategic diversification efforts. As per Kpler data, India imported ~***5mbpd*** of crude oil in Nov'25, higher than October's ***4.81mbpd***, marking a seasonal peak driven by strategic stockpiling ahead of U.S. sanctions on Russian oil. Brent oil prices averaged at ***$63.66/bbl. vis-à-vis $63.95/bbl.*** a month ago. India's Russian oil imports dropped by nearly a third after stringent US sanctions took effect on 21st Nov'25, with markets expecting further declines in December as refiners pivot to alternative supplies. As per Kpler data, ***Russia shipped ~1.9 million bpd*** to India. Despite the fall, November volumes are set to hit a five-month high, driven by heavy pre-deadline buying. India's crude oil imports from the US surged in November 2025, hitting their second-highest level since 2022 as refiners diversified supply sources while managing trade sensitivities. The US remained India's fourth-largest crude supplier for the second straight month. Provisional data from Kpler shows India imported 442,000bpd from the US in November; double the volume from a year earlier though the shipments were down over 22% month-on-month.
- **Gold deficit** has likely eased after the record surge in October. Notably, gold prices hovering near record highs averaging ***$4098/oz in Nov'25 vs $4055/oz in Oct'25***. Domestic demand remains strong, even as imports appear to have eased to ***~80 tons*** (our estimate) ***from ~127 tons*** in Oct'25. International gold prices surged in October, logging the 50th record high of the year and the rally continued into November, with prices up ***~6%*** MoM, taking year-to-date gains to ***~64%***. Festive gold demand around Diwali and Dhanteras remained strong despite record prices, but activity tapered afterward. Industry feedback indicates muted buying in November even with the wedding season underway. Jewellery purchases are largely wedding-driven, while investment demand remains modest. Sustained investor interest was evident, with ₹37.4bln flowing into gold ETFs in Nov '25, compared with ₹77.4bln in the previous month. Going forward, gold imports in December are expected to moderate further in volume but remain elevated in value, supported by investment demand & wedding related purchases despite high prices.
- **Non-Oil-Non-Gold deficit** likely moderated as volatile sub-segments like machinery saw normalization and electronics deficit probably narrowed post festive demand led spike last months. Additionally, commodity markets face mixed pressures in 2025, underscoring diversification into intermediates for manufacturing. India, the world's second-largest coal importer, brought in 13.01 million tons of thermal coal in November—up from 12.38 million tons in October and marginally higher than 12.24 million tons a year earlier, DBX data shows. Electronics exports have increased eightfold from Rs 38 billion in 2014-15 to Rs 326 billion in 2024-25, making electronics India's third-largest export category. Steel exports to Europe (currently two-thirds of total)—are expected to fall once the EU's Carbon Border Adjustment Mechanism (CBAM) and its carbon tax on steel and other emissions-intensive imports take effect on 1st Jan'26. Separately, an extension of 11-12% safeguard duties on select steel imports to counter cheaper inflows, after a temporary 12% duty lapsed earlier this month. Finished steel imports dropped 34.1% year-on-year in the first seven months of the fiscal year, with South Korea leading supplies, followed by China, Japan and Russia. On balance, segment wise impact within NONG will be closely watched.

Going forward trade deficit is expected to stay elevated at monthly through Nov-Dec 2025 due to festive gold and oil imports, before easing in Jan-Mar 2026 as demand normalizes. We expect a widening in current account deficit to 1.7% of GDP in FY26 vs 0.6% last year yet we acknowledge that our forecast faces downside risks from strong services exports, weak demand pressures and lower commodity prices. Going forward, all eyes remain on the timing and underlying contours of the India-US trade deal with favourable comments recently from policymakers.

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