

Midnight News Update: 09-10 Oct 2025

Tata Consultancy Services (TCS) managed to beat the street estimates in Q2FY26, but the entire focus was the headcount reduction by 19,755 on net basis in Q2FY26. It laid off around 12,000 employees, incurring restructuring costs of ₹1,135 crore. Net revenues for Q2FY26 were ₹65,799 crore, 3.7% up sequentially. Net profits were below street estimates, but the OPM expanded by 70 bps to 25.2%. TCS does not offer revenue or profit guidance. Apart from the dividend of ₹11, TCS also announced lateral forays in AI space.

LG Electronics India IPO, which closed on Thursday, became the first IPO in Indian primary market history to record investor interest of ₹4.39 trillion. The QIB portion led the way with 166.5X subscription, showing buying interest of ₹3.86 trillion. The overall IPO got subscribed more than 54X. Most investors see higher listing gains on LG Electronics India Ltd due to relatively fair pricing. This is more than ₹1 trillion collected by the previous record holder, Bajaj Housing Finance. The HNI / NII category got subscribed 22.45 times.

The Finance Ministry approved ₹7,300 crore scheme to promote domestic manufacturing of rare earth magnets. This is being done on a priority basis after China had earlier put a ban on export of rare earth magnets, a key inputs for manufacture of automobiles, especially EVs. That is nearly a 6-fold increase in outlay, compared to the original plan. This higher support is likely to widen industry participation and cut dependence on imports. Production target is raised 4-fold from 1,500 MT annually to 6,000 MT annually.

The Fed minutes announced late on 08-October suggest that the difference of opinion is now more over whether there should be one more rate cut or two more rate cuts in 2025. The house is fairly divided. The consensus that emerged from the FOMC minutes was that, for now, the risk of unemployment was much higher than the risk of inflation. The view was that inflation may eventually veer back to 2%, but impact of the tariffs and the shutdown on jobs may be harder. The shutdown also poses a problem of clean data.

India and UK announced 2 important defence deals worth \$800 million. They also announced closer links on clean energy, AI, and critical minerals. To begin with, UK will supply Lightweight Multirole Missile (LMM) systems to India. The UK based chip designer, Graphcore, will invest \$1 billion in India in the next 10 years, which will include a research hub in Bengaluru. Government has also set up a ₹76,000 crore fund to lure global chipmakers. India and UK will also collaborate on electric powered engines for naval ships.

If you thought that the gold rally may have peaked at \$4,000/oz, think again! Goldman Sachs has raised its 2026 gold price forecast to \$4,900/oz, an upside of 22.5% from current levels. They expect central bank buying and steady inflows into Gold ETFs as key drivers. Gold has already rallied by 52% since the start of the year and in India 24K gold trades at over ₹1,22,000 per 10 grams. The gold rally from \$1,000 to \$2,000 took 14 years; from \$2,000 to \$3,000 14 months, and the rally from \$3,000 to \$4,000 took just 7 months.

On Thursday, Indian pharma index gained 1.05% after the US hinted at excluding generic drugs from the proposed new import tariffs. Aurobindo, Lupin, Piramal Pharma, Sun Pharma, and Cipla were among the key gainers. That is more to keep healthcare costs in control in the US. The US is also exploring ways to boost domestic production of essential generics to reduce its India dependence. Trump has already imposed 100% tariffs on branded formulations, and there were talks about extending it to generics also.

The Telecom Minister has ruled out enhancing government ownership in Vodafone Idea, as it will convert a private company into a PSU. He underlined that the earlier move to convert statutory dues into equity was a one-time financial relief measure. As of March 2025, VI has total AGR dues of ₹83,400 crore, and cash reserves of just ₹6,830 crore, clearly an unsustainable scenario. Meanwhile, the government is exploring options like getting a strategic investor to infuse \$1 billion. Government will retain its 49% stake.



HPMG

GROWING TOGETHER

Disclaimer: The content of this newsletter published by HPMG Shares and Securities Private Limited (Mid Night News Update) are not intended to serve as a professional advice or guidance and the newsletter takes no responsibility or liability, express or implied whatsoever for any investment decision made or taken by readers of this newsletter based on its content thereof. The readers of this newsletter should exercise due caution and/or seek independent professional advice before entering into any commercial or business relationship or making any investment decision or entering into any financial obligation based on any information, statement or opinion which is contained, provided or expressed in this newsletter.