INDIA AND THE WORLD

Five Outside Pressures Reach India Now. Most of the Relief Is Expected in 2027.

El Niño, the war around the Strait of Hormuz, a half-open Red Sea, face-offs in Arunachal Pradesh and an unsigned trade deal: the facts, what they suggest, and what they mean for one household, as of 25 October 2026, with later items marked.

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There are five pressures on India right now, and most of them were set in motion outside it. I feel them where most of us do: at the petrol pump, in the rent, and, as someone looking for my next role, in the job market. This is my attempt to explain them the way I would to a friend, and the way I would to a board that wants the numbers. I am not here to say who is right. I set out the facts, then what they suggest.

Start with the people. Officials said on 8 October that 16 Indian seafarers had been killed since 28 February, 11 in West Asia and the Gulf and five in the Black Sea, a separate war. Another 4,232 had been brought home from the Hormuz area. On 21 October a resident of Indian nationality was one of two people killed at King Fahd International Airport in Dammam, Saudi Arabia, which the Houthis said they had attacked.

At home the costs are quieter. A litre of petrol in Mumbai cost Rs 111.21 on 25 October, unchanged since at least 16 October. In the week to 23 October, Brent crude rose 6.24 per cent to $116.72 a barrel. Why have those two numbers stayed so far apart?

The weather: a strong El Niño after a weak monsoon

The monsoon ended at 87 per cent of its long-period average, the lowest since 2015, the India Meteorological Department (IMD) said on 30 September. The south got 76 per cent. The World Meteorological Organization says El Niño, the Pacific warming that tends to weaken Indian rain, is “firmly established and strengthening rapidly”, with a near-100 per cent chance it lasts through February 2027. The US agency NOAA puts the chance of a historically strong event in October to December at 83 per cent.

The Centre has lowered its 2026-27 foodgrain target to 373.93 million tonnes. Food inflation reached 7.74 per cent in September, and onions cost 108.09 per cent more than a year earlier. Is that El Niño? No source I read says so, so I leave it as a question. Maharashtra’s drought now covers 305 talukas (sub-districts), which I wrote about on 17 October.

My reading is that a weather shock reaches the kitchen first and the farmer's income next, and the winter crop is the next test.

Hormuz: a ceasefire declared over, a blockade still on

The war began on 28 February with US-Israeli strikes that killed Iran's Supreme Leader, Ali Khamenei. A ceasefire announced on 7 April and a memorandum signed on 17 June fell apart over late June and July, and Donald Trump called the ceasefire "over" on 8 July. Some outlets still describe a fragile ceasefire. I found no agreement signed since. CBS reports that the US blockade of Iranian ports, reinstated on 14 July, remains, and that talks run indirectly through Pakistan and Qatar.

Why does this matter so much to India? Before March, about 45 per cent of its crude imports, about half its liquefied natural gas and 90 per cent of its LPG (cooking gas) came through the Strait, according to the Atlantic Council.

The two governments tell it very differently. Trump says Iran is "making up fake hits, mines" and that "more Oil is coming through the Hormuz Strait now than it did even prior to the beginning of the Conflict". Lloyd's List counted 104 non-Iranian-linked transits in the week of 5-11 October, 17 per cent fewer than the week before but 31 per cent above its August weekly average, and at least 28 attacks in October by 22 October. It gives no pre-war figure, so it cannot settle Trump's comparison either way. Trump also accuses Iran of trying to "drive up the price of Oil prior to the U.S. Midterm Election", and on 1 October he said: "I believe right after the election we'll win, but maybe before the election."

Iran's Foreign Minister, Abbas Araghchi, says: "The negotiating table remains in place. It is the American side that is closing the path, not Iran." Its top negotiator, the parliament speaker Mohammad Baqer Qalibaf, said on 4 October that "the Strait of Hormuz will not open until our seven conditions based on the Islamabad memorandum are met." Israel's prime minister, Benjamin Netanyahu, six days before what AFP called a tight election, spoke on 21 October of "toppling the regime in Iran. And that is my directive to the [IDF], the Mossad, and the security services".

For Indian crews, the rules have changed twice. In July the Directorate General of Shipping told owners not to put Indian seafarers on Hormuz voyages. On 5 August it replaced that with precautions and individual consent. Frontline argues that consent alone will not protect crews. I found no government reply.

I think the risk to India sits less in who wins than in whether the Strait stays contested, because that is where the fuel and the cooking gas come from.

The Red Sea: half back, and priced that way

Suez Canal transits in September were 39 per cent below pre-crisis levels, and the Bab el-Mandeb strait was 47 per cent below, Lloyd's List reports. Maersk and Hapag-Lloyd are routing one joint service back through Suez, first sailing on 27 October, which Hapag-

Lloyd says “does not amount to a strategic return of its full network”. Drewry’s index put a 40-foot container at $4,585 on 22 October, 163 per cent above a year earlier.

Trade has not stopped. Jawaharlal Nehru Port in Navi Mumbai handled a record 834,697 TEU (twenty-foot container units) in September. Globally, it costs more to move a box.

Arunachal: face-offs confirmed, a naming dispute on paper

The firmest fact comes from India’s own border force. “In the past few-days, a situation arose where face-off happened at several locations in Arunachal and it still continues,” Shatrujeet Kapur, head of the Indo-Tibetan Border Police (ITBP), said on 22 October. The Hindu reports that the video was then removed. The Ministry of External Affairs said the border “gets disturbed from time to time when Chinese forces diverge from established patrolling patterns”, and that both sides “continue to use existing diplomatic and military mechanisms”. Defence sources told The Indian Express that no violent clashes have been reported. Unnamed government sources told The Hindu of Chinese tents near Taksing in Upper Subansiri. That is not officially confirmed, so I do not rely on it.

The naming dispute is better documented. India named 27 places in Arunachal on 7 August. Beijing replied that “Zangnan region is China’s territory” and called the names “illegal, null and void”. India called Arunachal “an inalienable and integral part of India”. On 13 October China rejected India’s names for 28 places in Ladakh. On 25 August both sides had agreed that “any situation on the ground would be addressed promptly”, and Xi Jinping visited Delhi in September.

At home, Congress president Mallikarjun Kharge called the ITBP chief’s confirmation “deeply alarming”, and Jairam Ramesh spoke of “a deafening silence from the PM”. Separately, violent protests broke out on 23 October against the Siang Upper dam, which India says is needed to counter China’s Yaxia project. Chief Minister Pema Khandu said: “Question us, have dialogue with us, instead of violence.”

On 26 October, after this piece was first written, China’s foreign ministry spokesperson Guo Jiakun said China “has consistently and strictly abided by the relevant agreements and important understandings between the two countries, conducting routine patrols and management activities in the border areas”, and that the two countries “remain in communication through diplomatic and military channels”.

If tensions that The Hindu dates to July “still continue”, whether “promptly” is being met is an open question. Beyond the ITBP chief’s remark and Beijing’s description of “routine patrols”, neither government has said where the face-offs are or what happened at them.

Trade: a payoff dated 2027

In Berlin on 22 October, the Commerce Minister, Piyush Goyal, said the EU agreement “will be signed before the end of the calendar year 2026”. Between 15 and 23 October the start date he gave, or was reported giving, ran from February 2027 (a reporter’s paraphrase) to the first quarter, to “March or April”, to four to five months after signing

(as Reuters reported). The European Commission calls it a deal that "brings together two of the world's largest economies". It asked the Council on 11 September for approval to sign, after which the European Parliament must consent and India must ratify. Goyal also told Europe it was "inviting disaster" with its carbon border tax and 50 per cent steel duty.

With Washington there is still no signed deal. Goyal said on 15 October a first tranche "has been finalised", ten days after the Finance Minister spoke of a "plateau" (the two may describe different stages). A 60-day US tariff waiver over Russian oil buys time. Ajay Srivastava of the Global Trade Research Initiative says it lets Washington "keep the threat hanging over New Delhi".

Put the five together and a pattern shows. The costs arrive now, while the clearest relief on this list, cheaper trade with Europe, is dated 2027.

Then and now

The simplest way I know to see these pressures is to keep a benchmark: today's price against a month ago, a year ago and ten years ago. Where a row has no month-ago or ten-year figure, I could not find one I trusted. All prices are nominal, not adjusted for inflation.

- **Petrol, Mumbai, a litre:** Rs 111.21 now and a month ago. Rs 104.21 a year ago. Rs 72.83 in October 2016.
- **Brent crude, a barrel:** $115.22 on 20 October (the latest daily figure I could open; about $114 on 26 October) and $116.01 a month earlier. $65.80 a year ago. $49.80 in October 2016.
- **Domestic cooking gas, Mumbai, 14.2 kg cylinder:** Rs 941.50 now and a month ago. Rs 852.50 a year ago.
- **Onions, a kg (news-reported all-India average retail price, a different series from the official index above):** Rs 52.68 on 15 October and Rs 53.92 a month earlier. Rs 26.64 a year ago.
- **Rupee to the US dollar (US Federal Reserve series, not the RBI reference rate):** 94.96 on 16 October and 95.81 a month earlier. 87.83 a year ago. 66.89 in October 2016.
- **RBI repo rate:** 5.50 per cent now, after 5.25 per cent a month ago. It was 5.50 per cent a year ago too.
- **Unemployment, all India, age 15 and over:** 5.0 per cent in September, 6.9 per cent in cities. A year earlier: 5.2 per cent, and 6.8 per cent in cities.
- **Rent:** I found no reliable Mumbai rent series. The official housing component of retail inflation, which mixes rent with water, electricity, gas and other fuels, rose 2.74 per cent in the year to September.

One line stands out. In a year, crude is up about 75 per cent and the dollar costs about 8 per cent more rupees, but petrol at the Mumbai pump is up about 7 per cent. Onions have roughly doubled. Crude is only part of what a litre costs at the pump, so I would not expect petrol to rise by 75 per cent. But 7 per cent against that crude move suggests part of the extra cost is sitting somewhere: with the oil companies, in tax receipts or in a delay in passing it on. I found no source that says which.

Questions nobody has answered yet

These are not accusations. They are the answers that would let any reader judge for themselves, and I could not find them:

- Crude is up about 75 per cent in a year and the Mumbai pump price about 7 per cent. Which part of the difference is being carried by the oil companies, by tax receipts or by a delay in passing it on, and for how long?
- How many seafarers have declined Hormuz voyages since consent became the rule, and does refusing carry any penalty?
- Why was the ITBP chief's video removed, and by whom? The Ministry of External Affairs addressed the border but, in what I read, not the opposition's charge of silence.
- What is actually happening at the locations? India's border-force chief says face-offs continue, and China says its troops conduct "routine patrols". Neither side has said where, or how many.
- How will Brussels and Berlin answer Goyal on the carbon tax and the steel duty?
- What do the Siang dam protesters want, and what does the state-owned builder, NHPC, say? The AFP report gives neither.

What it means for one household

Take one Mumbai family with a home loan and a relative working in the Gulf or at sea.

Food. If the family spends Rs 10,000 a month on food (my assumption), September's 7.74 per cent food inflation means roughly Rs 774 more than a year ago. That is an estimate, because no family buys exactly the official basket.

Fuel and cooking gas. The domestic cylinder is unchanged at Rs 941.50. The commercial 19 kg cylinder rose Rs 63 to about Rs 2,764 on 1 October, about 2.3 per cent, which hits restaurants and tiffin services first. If petrol rose 5 per cent (an illustration, since none is announced), Rs 111.21 would become about Rs 116.77, and a rider using 30 litres a month would pay about Rs 167 more.

EMIs and the rupee. The Reserve Bank raised its repo rate to 5.50 per cent on 7 October and moved to "calibrated tightening". My estimate: on a Rs 50 lakh, 20-year floating loan, a full 0.25-point pass-through from 8.50 to 8.75 per cent lifts the EMI from about Rs 43,391 to Rs 44,186, or Rs 794 a month. The rupee closed at 96.78 to the dollar

on 8 October (market close), near its record low, so foreign fees, travel and imported phones cost more.

Jobs. For seafarers, a Hormuz voyage now needs their individual consent. Gulf workers face Houthi attacks on Saudi airports that had killed at least 21 people between 1 and 22 October, Saudi authorities say. Exporters face freight rates that Drewry puts 163 per cent higher worldwide than a year ago (I found no India-specific figure), for EU tariff cuts that arrive in 2027 at the earliest. Farmers face a winter crop the IMD expects to get mostly below-normal rain.

Water. An 87 per cent monsoon leaves less margin before summer. The water cut I described on 17 October is the first sign.

What I would tell a Mumbai family

I am unsure how this will go, and I would be wary of anyone who sounds certain. What I would tell a family is what I try to do myself. Watch what is happening around you: the pump price, the vegetable vendor's rates, the rent renewal. Keep yourself posted across the news channels, the mainstream papers and the independent journalists, not just one of them. Then draw your own inference about what it means for you, as one person.

What to watch

These are my assessments, not facts.

- **Hormuz.** A grinding stalemate of ship attacks and indirect talks is likely. A sharper US escalation before February is an even chance, and the 3 November US midterms are one date to watch. A deal that fully reopens the Strait before February is unlikely, because this war's two truces nominally lasted about three months and about three weeks.
- **El Niño and food.** High food prices through winter are likely. NOAA and October inflation figures both come on 12 November, and the RBI meets on 2-4 December. Another rate rise would reach EMIs.
- **Arunachal.** Managed friction is likely. A serious rupture is remote.
- **Trade.** Signing by 31 December is an even chance. Entry into force by April 2027 is unlikely, with the European Parliament and ratification still ahead.

Due this week: Israel votes on 27 October, the first Maersk and Hapag-Lloyd sailing back through Suez is scheduled for 27 October, and the ITBP chief retires on 31 October.

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