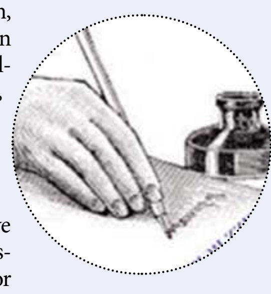
BIZZ BUZZ

Beyond the index: Why India's capital markets are built for the long term

AT moments of market exuberance or anxiety, it is tempting to judge the Indian capital market by the daily gyrations of indices. Yet, strip away the noise of technical charts and short-term sentiment, and what emerges is a far more compelling narrative—one anchored in fundamentals that are steadily reshaping India into one of the most credible long-term investment destinations in the world.

The future of India's capital market looks promising; not because of speculative momentum, but due to a rare confluence of structural strengths that few large economies can currently claim.

First, the macroeconomic foundation is unusually robust. India today combines scale with stability. It remains the world's fastest-growing major economy, supported by controlled inflation, a relatively stable currency, and prudent fiscal management. Unlike past cycles where growth was fuelled by excessive leverage or fragile consumption, the current expansion rests on healthier balance sheets—corporate, banking, and household alike. The clean-up of bank NPAs and recapitalisation of the financial system have restored credit transmission, a prerequisite for sustainable market growth.



Second, corporate India is structurally stronger than ever before. Over the past decade, Indian companies have deleveraged significantly, improved governance standards, and embraced capital discipline. Return on equity across sectors has improved not through financial engineering, but through operational efficiency, scale benefits, and a sharper focus on core businesses. This has translated into healthier earnings visibility—arguably the most fundamental driver of long-term equity valuations.

Equally important is the quiet democratisation of capital markets. The surge in domestic retail participation—via mutual funds, SIPs, and direct equity investments—has altered the market's character. India is no longer excessively dependent on fickle foreign flows. A growing pool of patient domestic capital now acts as a natural stabiliser during global risk-off phases. This structural shift lends resilience to the market and reduces vulnerability to external shocks.

Then there is the policy ecosystem. Government-led capital expenditure on infrastructure—encompassing roads, railways, ports, power, and digital public platforms—has created powerful multiplier effects across various industries. Unlike consumption-heavy stimulus models, India's capex-led growth strategy strengthens productive capacity, improves logistics efficiency, and enhances corporate profitability over time. Markets tend to reward such growth with longevity.

India's demographic advantage also feeds directly into capital market depth. A young, aspirational population entering formal employment is expanding both the consumer base and the investor base. Rising financial literacy, aided by fintech innovation and regulatory clarity, is steadily converting savers into investors, deepening liquidity, and broadening market participation.

Critics often point to valuations as a concern. While select pockets of the market do reflect optimism, valuations in themselves are not excesses if they are underwritten by earnings growth, balance-sheet strength, and long-term visibility. India today commands a premium not merely for growth, but for consistency and credibility—attributes increasingly scarce in a volatile global landscape. The real test of any capital market lies not in how high it climbs during bull phases, but in how sturdily it is built. On that count, India scores well. Its markets are evolving from sentiment-driven arenas into institutions reflecting economic maturity. The future of India's capital market, therefore, is not a speculative leap of faith. It is a reasoned bet on fundamentals—on enterprise, governance, demographic strength, and policy continuity. For long-term investors, that are not just reassuring; it is compelling.

Maduro's capture and the collapse of international restraint

The US seizure of Venezuela's president marks a watershed moment for sovereignty and international law

JUAN ZAHIR NARANJO CACERES

IN the early hours of Saturday morning, US special forces captured Venezuelan President Nicolas Maduro from his home in Caracas and flew him out of the country. US President Donald Trump announced that Maduro and his wife, Cilia Flores, would face federal narco-terrorism charges in New York. For anyone familiar with the history of US interventions in Latin America and the Caribbean, the basic pattern is grimly familiar: a small state in Washington's "backyard", a leader deemed unacceptable, military force applied with overwhelming effect, and a government removed overnight. Yet what makes Venezuela's case different – and profoundly alarming – is the brazen nature of the months-long US military operations against the country based on shifting and shaky justifications, with little evidence. This moment is also significant, with many scholars already warning that international law is in deep crisis.

A long tradition of removing 'unacceptable' leaders

Venezuela is not the first country in the region to see its leader overthrown or seized with direct US involvement or acquiescence. In 1953, the British government suspended the constitution of its colony British Guiana (now Guyana) and removed the democratically elected government of Cheddi Jagan after just 133 days. The British believed Jagan's social and economic reforms would threaten its business interests. A decade later, the CIA conducted a sustained covert operation to destabilise Jagan's later administration, culminating in rigged 1964 elections that ensured his rival, Forbes Burnham, would win. In 1965, US President Lyndon Johnson sent more than 22,000 US troops to the Dominican Republic to prevent the return of former President Juan Bosch, overthrown in a 1963 coup, and another communist regime forming in the region. Following the violent overthrow and execution of Prime Minister Maurice Bishop of Grenada in 1983, President Ronald Reagan ordered an invasion. His administration justified the action by citing the need to protect US medical students and prevent the island from becoming a "Soviet-Cuban colony". In December 1989, President George H.W. Bush launched a full-scale invasion of Panama involving about 24,000 US troops to remove General Manuel Noriega, who had been indicted on drug-trafficking charges (like Maduro). He was subsequently flown to the United States, tried and imprisoned. And in 2004, Haitian President Jean-Bertrand Aristide was removed from power and flown to Africa in what he described as a US-orchestrated coup and "kidnapping". In 2022, French and Haitian officials told The New York Times that France and the US had collaborated to remove him.

Why Maduro's case is different

In all of these cases, Washington asserted control over what it has long considered its sphere of influence, intervening when governments threatened its interests through ideology, alliances or defiance. But Venezuela in 2026 is not Grenada in 1983 or Panama in 1989. It is a much larger country with some 30 million people and significant armed forces, which has spent years preparing for a possible US invasion. More importantly, the operation unfolded in an entirely different global context. During the Cold War, US interventions were often condemned but rarely threatened the legitimacy of the international order itself. Today,

The US capture of Venezuelan President Nicolás Maduro follows a long history of interventions in Latin America, but it stands apart for its brazenness and its implications for international law. Conducted amid shifting justifications and without clear legal sanction, the operation has drawn rare and widespread condemnation from allies, regional leaders and the United Nations. As sovereignty is overridden and the UN Charter sidelined, Venezuela risks becoming a turning point—where erosion of global norms gives way to collapse, and power, not law, once again governs international relations

by contrast, the Maduro operation has been met with swift and sharp condemnation from across the political spectrum. Colombian President Gustavo Petro called the strikes an "assault on the sovereignty" of Latin America, while Brazilian President Luiz Inacio Lula da Silva said the attack "crossed an unacceptable line" and set an "extremely dangerous precedent". Mexican President Claudia Sheinbaum said the strikes were in "clear violation" of the UN Charter. Even traditional US allies expressed discomfort. France's foreign minister said the operation contravened the "principle of non-use of force that underpins international law" and that lasting political solutions cannot be "imposed by the outside". And a statement from UN Secretary-General Antonio Guterres said he was "deeply alarmed" about the "dangerous precedent" the United States was setting and the rules of international law not being respected. The UN Charter prohibits the use of force against the territorial integrity or political independence of any state under Article 2(4). For years, scholars have warned that repeated violations of the UN Charter by the United States were steadily eroding the basic rules governing the use of force. Venezuela may represent the moment that erosion becomes collapse. When a permanent Security Council member not only bombs another state but abducts its head of state, the precedent is indeed profound.

Regional consequences

The immediate consequences for Latin America are already being felt. Colombia has moved troops to its border with Venezuela, while neighbouring Guyana has activated its own security plans. It's unclear at this point if further US military operations are planned. Trump has said the US will "run" Venezuela until a "safe transition" is complete, but analysts question whether Washington has the appetite for such an open-ended commitment. Venezuela's defence minister has also pledged to continue to fight against what he called "criminal aggression". The operation has also deepened divisions that already existed in Latin America over Venezuela. After Maduro's 2024 election, the results were immediately contested: Maduro's government claimed victory, while the opposition said it won based on voting tallies it published online. Regional governments split over which narrative to accept, with some recognising Maduro's government and others backing the opposition. These fault lines have made a coordinated regional response to the Trump administration's actions impossible. The broader risk is that Venezuela becomes a precedent not only for great powers, but for regional actors. If Washington can seize a head of state without legal sanction, what stops others from doing the same?

A dangerous new normal

Maduro's removal may or may not bring the political change Trump desires. But the manner of his removal – brazen, unilateral, and defended in the language of US exceptionalism – has already done serious damage to the fragile architecture of international law. If sovereignty can be set aside when inconvenient, heads of state can be abducted without UN approval, and the most powerful decide which governments may exist, then we have returned to a world governed by force – not the law. And in that world, no state can consider itself truly secure.

(The writer is a Ph D student at University of the Sunshine Coast, Australia)

Connectivity, not crops, now sets the price of India's farmland

IIMA-SFarmsIndia index shows agri land prices rising faster than equities, reshaping rural wealth patterns

KUMUD DAS

INDIA's agricultural land market is undergoing a structural repricing that goes far beyond farming fundamentals. New evidence from the IIMA-SFarmsIndia Agri Land Price Index (ISALPI) shows that farmland prices have compounded at 18.5 per cent annually since 2019, with even sharper acceleration in recent years: nearly 29 per cent CAGR over the last three years. These are equity-like returns in a market that remains largely unleveraged, opaque, and lightly institutionalised.

What makes the trend striking is not just the pace of appreciation, but where it is happening, and why. The data, drawn from over 9,000 agricultural land listings across 573 districts, suggests that Indian farmland is increasingly priced less like a productive asset and more like a strategic option on infrastructure and urban expansion.

Talking to Bizz Buzz, Dr Prashant Das, Associate Professor (Finance & Accounting/Real Estate), IIMA says, "ISALPI indicates that while the notional wealth of landowning farmers may be rising on paper, this appreciation is rarely converting into steady cash flows. Access to formal finance remains limited, and practical avenues to realise capital gains are constrained."

This points to the need for a two-pronged policy response: first, land valuation systems must become more dynamic and geographically granular; second, mechanisms such as fractional ownership and farmland tokenisation could help transform rising land prices into liquid, usable wealth, he said.

At one end of the spectrum sits Delhi, where agricultural land prices are estimated at 6.25 times the national base level. Haryana follows at 2.75x, driven by a cluster of districts tightly integrated with the National Capital Region. Gurugram alone records a district-level multiple of 4.75x, the highest in the country, followed by Rewari (4.0x) and Karnal (3.25x). At the other extreme lie large parts of eastern and central India. West Bengal, Bihar, Odisha, and Assam all record price multiples of just 0.5x, despite often having larger average land parcels than high-price regions. Districts such as Bankura, Purulia, Kheda, Wardha, Madurai, and Bikaner trade at one-fourth of the national benchmark.

India's agricultural land market is undergoing a profound transformation, with prices compounding at nearly 29 per cent annually over the past three years, according to the IIMA-SFarmsIndia Agri Land Price Index. Far from being driven by farm productivity alone, land values are increasingly reflecting connectivity, infrastructure access, and future urban potential. While regions linked to transport corridors and cities are amassing rapid wealth, large parts of eastern and central India remain undervalued despite abundant land. The trend underscores a widening rural divide and highlights the growing gap between how farmland is priced by markets and governed by policy

The message is clear: land abundance alone does not translate into land value. ISALPI's hedonic framework controls for acreage, land type, irrigation, and other parcel-level characteristics. What remains is a clear pricing of connectivity and access.

High-price regions consistently exhibit superior connectivity and market access. Agricultural land in these areas is typically located within about 75 minutes of an airport, less than two miles from a highway, and around 20 minutes from an urban local body, while kisan mandis are generally reachable within 25 minutes. This tight integration with transport, urban centres, and agricultural markets plays a decisive role in sustaining higher land valuations. By contrast, low-price regions suffer from longer railway access times and weaker highway connectivity, even when landholdings are larger. Average acreage in Odisha (77 acres) and West Bengal (57 acres) exceeds that of several higher-priced states, yet prices remain depressed.

The composition of land listings adds another layer to the story. Nearly 90 per cent of parcels remain classified as agricultural land, but a growing share reflects latent non-agricultural intent. About 4.3 per cent is already categorised as non-cultivated land, often held in states such as Karnataka, Tamil Nadu, Telangana, Maharashtra, and Kerala; regions that also show strong peri-urban price momentum.

Eco-farm, fruit farm, and aquaculture land (still small in aggregate) are disproportionately concentrated in states with better logistics and tourism spillovers. These categories may be marginal today, but they signal how land use expectations are evolving ahead of formal conversion.

Kamesh Mupparaju, CEO, SFarmsIndia, says, "One of the most striking patterns we see is how fragmented India's farmland market still is. Prices vary sharply even within the same district because transactions are infrequent and information is uneven."

As more listings, histories, and comparisons come onto digital platforms, we are beginning to see a gradual convergence toward more rational, benchmark-driven pricing, he added.

The timing of the farmland boom coincides with two powerful forces. First, agriculture has been formally recognised as the "first engine of growth" in the Union Budget 2025-26, with public expenditure on the sector rising nearly fivefold over the past decade. Second, investors facing inflation, geopolitical risk, and volatile financial markets are rediscovering land as a real asset hedge. Yet regulation continues to treat farmland primarily as a livelihood asset, not a balance-sheet one.

This disconnect (between how land is priced and how it is governed) is now visible in the data.

ISALPI does more than track prices. It exposes a quiet reordering of India's rural geography. Regions plugged into infrastructure corridors are accumulating wealth rapidly. Those left out are falling further behind, even when they remain agriculturally productive.

Beyond being just about crops and yields, farmland is about access, optionality, and future land-use expectations. The repricing underway may affect rural inequality, intergenerational wealth, and the politics of land, well before these shifts are acknowledged in policy or public debate.

Cathay Cargo to step up investments as India emerges mfg hub

Hong Kong-based air freight operator sees strong growth across manufacturing, pharma and autos

THIRUMOY BANERJEE

AIR freight operator Cathay Cargo plans to ramp up investments in India as it emerges as a global manufacturing hub, a senior official of the Hong Kong-based company said, describing the country as a "very important" strategic market. Cathay Cargo currently operates 13 freighter services a week to India – five to Delhi, five to Chennai and three to Mumbai. "India has always been an incredibly important market for us, and it continues to show immense promise and growth.

Cathay Cargo plans to ramp up investments in India, citing the country's rapid emergence as a global manufacturing and logistics hub. Operating 13 freighter services weekly to Delhi, Chennai and Mumbai, the Hong Kong-based carrier has seen steady growth in tonnage from India, supported by government initiatives such as Make in India and PM Gati Shakti. With strong demand from sectors including electronics, automobiles and pharmaceuticals, the company sees India as a key strategic market and expects the manufacturing ecosystem to drive sustained air cargo growth in the coming years

Since launching our freighter operations in 2000 -- building on a presence that has grown steadily since we first began serving India back in 1953 -- we have consistently recognised the immense potential and strength of this market. Our commitment to India remains steadfast, and we will keep investing to ensure our presence is robust and impactful. "The growth trajectory in India is truly impressive, and we are eager to be a part of this dynamic journey," Rajesh Menon, Regional Head of Cargo, South Asia, Middle East, and Africa, at Cathay Cargo, told media in an interview here. With initiatives like Make in India and Gati Shakti, investors interested in India have a clear path laid out for them, showcasing the dynamic changes happening in the country.

These initiatives highlight the immense potential for investment and underscore the vast opportunities available in the logistics sector as manufacturing continues to grow and expand, he said. The PM Gati Shakti national master plan initiative was launched in October 2021 for the integrated and planned development of critical infrastructure projects to reduce logistics costs. The 'Make in India' initiative was rolled out to facilitate investment, foster innovation, build world-class infrastructure, and make India a hub for manufacturing, design, and innovation. The past few years have seen a demand shift with Asia Pacific freighter service providers making way for players from the Middle East, but Menon says it's not necessarily a bad thing. "Everyone has a share now, and this means demand in India is growing and (the scope to do business in) the country is expanding. It is a good thing."

As of October 31, 2025, Cathay Cargo offered approximately 1,03,000 tonnes of capacity in India and recorded an 11 per cent year-on-year increase in tonnage uplift from the country. He further added that it is quite remarkable how the mobile and auto industries are expanding at an impressive rate. Additionally, the pharma sector is also showing great strength. With these developments, it is evident that we can expect continued growth in these areas. The gap between inbound and outbound shipments, however, remains, but Menon feels this would narrow over time as the overall manufacturing ecosystem becomes stronger. The Indian air cargo industry handled 3.5 million tonnes (MT) of freight in 2018, and last year, the government announced an ambitious target to push up this figure to 10 MT by 2030. "It is vital for various government bodies to come together in order to make this goal achievable. By working together, we can pool our resources, share our expertise, and create a robust framework that addresses the complexities of our objectives. This collective approach will not only streamline our processes but also ensure that we are all on the same page, moving forward with a unified vision," Menon said. The import market for Cathay Cargo is strongest in Delhi, followed by Chennai, while from the export perspective, Mumbai is the biggest market. Cathay Director Cargo Dominic Perret earlier told media that the air freight arm of the Cathay Group will consider expanding in India, depending on the market drivers. "India is on its way to becoming a manufacturing powerhouse, and through co-terminalisation of our freighters from Delhi, Mumbai, and Chennai, we could serve other key manufacturing hubs in India like Hyderabad, Bengaluru, and potentially Ahmedabad," he had said.