

Evening Deep-Dive Edition

TOPIC DEEP-DIVE: ECONOMICS & DIPLOMATIC INITIATIVES

IBPS PO/Clerk | SBI PO/Clerk | RBI Grade B | NABARD | SSC

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Executive Summary

Welcome to this Evening Deep-Dive edition of the Master Current Affairs! As no major breaking news has emerged since our morning digest covering September 7, 2026, we are taking this opportunity to dive deeper into today's most significant developments: RBI's massive liquidity absorption operations, the introduction of the RAKSHA defence diplomacy document, and the strategic implications of the India-France Innovation Roadmap. We have also included your daily practice MCQs and a quick revision sheet.

1. Deep Dive: RBI's Massive Liquidity Absorption

Managing a ₹11.6 Lakh Crore Surplus

On September 7, 2026, the RBI undertook massive operations to absorb over **₹6.12 lakh crore** from the banking system. This aggressive action was necessitated because the overall banking-system liquidity surplus had swelled to a staggering record of approximately **₹11.6 lakh crore** [cite: 1].

The Mechanics: The RBI utilized a two-pronged approach, absorbing ₹3.53 lakh crore via an overnight auction and ₹2.59 lakh crore through a 30-day operation [cite: 1]. This excess liquidity is largely attributed to over \$136 billion in foreign-currency inflows [cite: 1]. Concurrently, to support the Indian Rupee, the RBI intervened heavily in the forex market last week, selling



between **\$8 billion to \$15 billion**, pushing the Rupee to a two-month high of ~₹94.285/\$ [cite: 1].
(Banking Exam Tip: When the RBI sells dollars, it absorbs Rupees from the market, which can help tighten liquidity and appreciate the currency.)

2. Strategic Defence & Diplomatic Frameworks

The RAKSHA Document: Defence Minister Rajnath Singh unveiled the '**RAKSHA**' document in New Delhi [cite: 1]. This document serves as a comprehensive **10-year roadmap** outlining India's strategic partnerships and defence diplomacy objectives [cite: 1]. It aims to solidify India's position as a reliable defence partner and exporter on the global stage.

India-France Innovation Roadmap 2030: Deepening bilateral ties, India and France adopted the Innovation Roadmap 2030 [cite: 1]. A central, defining pillar of this partnership is the commitment to "**Trusted AI**" [cite: 1]. The roadmap also encompasses collaboration in critical and emerging technologies, cyber space, and health [cite: 1].

3. National Infrastructure & Governance

Western Zonal Council Meeting: Union Home Minister Amit Shah chaired the **28th Western Zonal Council Meeting** in Panaji, Goa [cite: 1]. Zonal Councils, established under the States Reorganisation Act of 1956, are vital platforms for inter-state and Centre-State coordination.

Buffer Onion Sales for Price Stabilization: To combat food inflation, the government released approximately **4,000 tonnes** of buffer onions across 17 cities in just 10 days [cite: 1]. The central onion buffer stock for 2026 is set at 1.21 lakh tonnes, with subsidized retail prices fixed at ₹35/kg [cite: 1].

ISRO's Ongoing Success: The successful launch of the **EOS-05** satellite via the **GSLV-F17** rocket was lauded by the Prime Minister [cite: 1]. EOS-05 is particularly notable as India's first imaging satellite positioned in a Geosynchronous orbit [cite: 1].



4. Advanced MCQs for Practice (Top 12)

Q1. On September 7, 2026, the RBI absorbed over ₹6 lakh crore from the banking system primarily to manage:

- a. A) A severe liquidity deficit
- b. B) A record liquidity surplus of ~₹11.6 lakh crore
- c. C) Plunging forex reserves
- d. D) A sudden drop in the repo rate

Answer: B) A record liquidity surplus of ~₹11.6 lakh crore

Q2. Which tool is utilized by the RBI to absorb excess liquidity from the banking system?

- a. A) Standing Deposit Facility (SDF)
- b. B) Goods and Services Tax (GST)
- c. C) Minimum Support Price (MSP)
- d. D) Special Drawing Rights (SDR)

Answer: A) Standing Deposit Facility (SDF)

Q3. The newly released 'RAKSHA' document provides a strategic roadmap for a duration of:

- a. A) 5 years
- b. B) 10 years
- c. C) 15 years
- d. D) 20 years

Answer: B) 10 years



Q4. The 28th Western Zonal Council Meeting was recently held in which city?

- a. A) Mumbai
- b. B) Ahmedabad
- c. C) Panaji
- d. D) Jaipur

Answer: C) Panaji

Q5. For 2026, the central government has maintained an onion buffer stock of approximately:

- a. A) 50,000 tonnes
- b. B) 75,000 tonnes
- c. C) 1.21 lakh tonnes
- d. D) 2.5 lakh tonnes

Answer: C) 1.21 lakh tonnes

Q6. Which launch vehicle was used by ISRO to deploy the EOS-05 satellite?

- a. A) PSLV-C59
- b. B) LVM3-M4
- c. C) GSLV-F17
- d. D) SSLV-D3

Answer: C) GSLV-F17

Q7. The India-France Innovation Roadmap provides a partnership framework leading up to which year?

- a. A) 2028
- b. B) 2030
- c. C) 2035
- d. D) 2047

Answer: B) 2030



Q8. Which concept is highlighted as a central pillar of the India-France Innovation Roadmap?

- a. A) Open AI
- b. B) Trusted AI
- c. C) Autonomous Military AI
- d. D) Predictive Quantum AI

Answer: B) Trusted AI

Q9. The Anak Krakatau volcano, whose recent eruptions caused massive flight cancellations, is located in which country?

- a. A) Japan
- b. B) Indonesia
- c. C) Philippines
- d. D) Malaysia

Answer: B) Indonesia

Q10. Geographically, Indonesia is a prominent part of which major tectonic/volcanic belt?

- a. A) Alpine-Himalayan Belt
- b. B) Pacific Ring of Fire
- c. C) Mid-Atlantic Ridge
- d. D) Great Rift Valley

Answer: B) Pacific Ring of Fire

Q11. When the RBI actively sells dollars in the forex market, what is the typical immediate effect on the Indian Rupee?

- a. A) It creates appreciation pressure on the Rupee
- b. B) It creates severe depreciation pressure on the Rupee
- c. C) It instantly halts all imports
- d. D) It drives inflation to zero

Answer: A) It creates appreciation pressure on the Rupee



Q12. What is the primary function of the 'Kavach' system deployed by Indian Railways?

- a. A) High-speed rail ticketing
- b. B) Automatic Train Protection (ATP) to prevent collisions
- c. C) Providing onboard catering
- d. D) Managing track electrification

Answer: B) Automatic Train Protection (ATP) to prevent collisions



★ ONE-PAGE QUICK REVISION ★

1. Economy & Finance:

- **Liquidity Management:** RBI absorbed over **₹6.12 lakh crore** to manage a record banking liquidity surplus of ~₹11.6 lakh crore [cite: 1].
- **Forex Intervention:** RBI sold \$8-\$15 billion last week to support the Rupee, leading to a two-month high of ~₹94.285/\$ [cite: 1].
- **Food Inflation Control:** Government released 4,000 tonnes of buffer onions across 17 cities at a subsidized rate of ₹35/kg [cite: 1].

2. Defence & Diplomacy:

- **RAKSHA Document:** Unveiled by the Defence Minister; it provides a **10-year roadmap** for India's defence diplomacy [cite: 1].
- **India-France Roadmap 2030:** Focuses heavily on **Trusted AI**, cyber space, and emerging technologies [cite: 1].

3. Space, Environment & Transport:

- **EOS-05:** Successfully launched via GSLV-F17; it is India's first imaging satellite operating from a Geosynchronous orbit [cite: 1].
- **Anak Krakatau:** Volcanic eruptions in Indonesia (Sunda Strait) caused massive flight cancellations [cite: 1].
- **Kavach:** Indian Railways' Automatic Train Protection (ATP) system designed to prevent train collisions [cite: 1].

