Agnipath review aimed at addressing youth discontent ahead of key polls

NEWS ANALYSIS

Nistula Hebbar
NEW DELHI

The two-year extension for Agniveers, with the option of being retained thereafter in the armed forces, is the outcome of a review of the Agnipath scheme announced by the National Democratic Alliance government after the 2024 Lok Sabha election, in which the BJP lost its parliamentary majority and suffered losses in States where armed forces recruitment was high.

Soon after the results of the election came in, with the BJP at 240 seats and dependent on its allies to form the government, one of the first things demanded by the Janata Dal (United), the Telugu Desam Party, and the Lok Janshakti Party had been a review of the Agnipath scheme. NDA allies had gone on record asking for a review in 2024, and cited ground-level resentment among youngsters aspiring to join the armed forces.



Armed forces recruitment is a key issue in Uttar Pradesh and Uttarakhand, which will soon hold elections. FILE PHOTO

BJP losses

According to one estimate, one of the reasons for the BJP's losses in Rajasthan, Haryana, and parts of Uttar Pradesh was the resentment with regard to the four-year Agnipath scheme, which replaced permanent recruitment into the armed forces below officer ranks. In fact, widespread protests had taken place in western Uttar Pradesh, Bihar, and Rajasthan when the scheme was announced in 2022.

For the BJP, which will defend its governments in Uttar Pradesh and Uttarakhand in the upcoming Assembly elections – States where armed forces recruitment is considered important – the review has come as a relief. "We did get feedback that this was an issue... We are happy that this has been announced before the first batch completes its four-year term," said a senior office-bearer in the BJP.

Rahul's assurance

The Leader of the Opposition in the Lok Sabha, Rahul Gandhi, had said that the Congress would be scrapping the scheme altogether if voted to power.

The changes in the Agnipath scheme will, in a way, help the BJP defuse what could have turned out to be a volatile issue for the young people with regard to employment, coming as it does after the Gen-Z protests against the leak of NEET papers and the discontent against the BJP on the University Grants Commission (UGC) social equity regulations.

SHAURYA SSB TRG (104529)

Agniveers get option for extension; pathway to join army as regular soldiers

Saurabh Trivedi
NEW DELHI

The Union Cabinet has approved an additional two-year engagement period for a section of Agniveers, creating a pathway for all cadets under the Agnipath scheme to join the armed forces as regular soldiers, subject to their willingness and fulfilment of selection criteria.

The move marks a significant revision of the original Agnipath framework, under which only up to 25% of each batch of Agniveers were eligible for retention in the regular cadre after four years, while the remaining personnel were to be released from service.

Under the revised arrangement, 25% of Agniveers will continue to be offered regular employment while the remaining 75% would be given an opportunity to serve for another two years, following which they would be eligible for consideration for enrolment as regular soldiers, Chief of Defence Staff, General N.S. Raja Subramani, told mediapersons on Wednesday.

Higher remuneration

The second engagement period will come with higher remuneration, an enhanced Seva Nidhi package, and seniority benefits.

The decision follows an assessment of the performance of Agniveers in terms of organisational requirements and operational efficiency. The evaluation found that they had demonstrated outstanding performance in skills, motivation, physical fitness, and technological prowess, according to the government, he added.

The additional engagement period was approved on the recommendations of the three services following an elaborate evaluation and feedback process. The objective is to align the aspirations of Agniveers with the operational requirements and organisational efficiency of the armed forces, the Defence Ministry said.

The government said a detailed assessment of the Agnipath scheme after four years of implementation had brought out several achievements, including a wider geographical footprint of recruitment across districts, a more standardised and transparent recruitment process, and high levels of physical fitness, morale, motivation, competitive spirit, and discipline among Agniveers.

The scheme has also contributed to enhancing the skills, technological adaptability, and educational qualifications of personnel during their service. It has further enabled the opening up of various branches of the defence forces to women.

Based on the assessment and feedback, the government has decided to continue with the Agnipath scheme while introducing the additional two-year engagement period for Agniveers and a subsequent pathway for their regular enrolment.

ADDRESSING DISCONTENT
» PAGE 4

Career trajectory

The revised arrangement creates a pathway for all Agniveers to eventually become regular soldiers

- 25% of Agniveers to be offered regular employment on the basis of merit, as envisaged under the Agnipath scheme
- Remaining 75% to get opportunity for a 2-year extension and subsequent enrolment



- Second engagement period to have higher remuneration and seniority benefits

SHAURYA SSB TRG (8369104529)

Agnipath review aimed at addressing youth discontent ahead of key polls

NEWS ANALYSIS

Nistula Hebbar
NEW DELHI

The two-year extension for Agniveers, with the option of being retained thereafter in the armed forces, is the outcome of a review of the Agnipath scheme announced by the National Democratic Alliance government after the 2024 Lok Sabha election, in which the BJP lost its parliamentary majority and suffered losses in States where armed forces recruitment was high.

Soon after the results of the election came in, with the BJP at 240 seats and dependent on its allies to form the government, one of the first things demanded by the Janata Dal (United), the Telugu Desam Party, and the Lok Janshakti Party had been a review of the Agnipath scheme. NDA allies had gone on record asking for a review in 2024, and cited ground-level resentment among youngsters aspiring to join the armed forces.



Armed forces recruitment is a key issue in Uttar Pradesh and Uttarakhand, which will soon hold elections. FILE PHOTO

BJP losses

According to one estimate, one of the reasons for the BJP's losses in Rajasthan, Haryana, and parts of Uttar Pradesh was the resentment with regard to the four-year Agnipath scheme, which replaced permanent recruitment into the armed forces below officer ranks. In fact, widespread protests had taken place in western Uttar Pradesh, Bihar, and Rajasthan when the scheme was announced in 2022.

For the BJP, which will defend its governments in Uttar Pradesh and Uttarakhand in the upcoming Assembly elections – States where armed forces recruitment is considered important – the review has come as a relief. "We did get feedback that this was an issue... We are happy that this has been announced before the first batch completes its four-year term," said a senior office-bearer in the BJP.

Rahul's assurance

The Leader of the Opposition in the Lok Sabha, Rahul Gandhi, had said that the Congress would be scrapping the scheme altogether if voted to power.

The changes in the Agnipath scheme will, in a way, help the BJP defuse what could have turned out to be a volatile issue for the young people with regard to employment, coming as it does after the Gen-Z protests against the leak of NEET papers and the discontent against the BJP on the University Grants Commission (UGC) social equity regulations.

BHAURYA SSB TRG (RT 4529)
RT 21-07

Falling fertility rate has made two-child norm outdated: SC

Top court says its 2003 judgment, which upheld such penal laws, needs a revisit by a larger Bench; India's Total Fertility Rate has fallen from 3.02 to 1.9, going below the 2.1 replacement threshold

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Wednesday held that laws penalising having more than two children have lost their relevance due to the falling fertility rate in India.

"We are of the strong opinion that laws that penalise having more than two children have lost their relevance. The foundation of such laws, that is, the fear of overpopulation, has crumbled due to demographic changes in the past few decades," a Bench headed by Justice P.S. Narasimha observed.

The court said its 2003 judgment (in *Javed v. State of Haryana*) which upheld such penal laws, needed a revisit by a larger Bench.

India's Total Fertility Rate (TFR) had fallen from 3.02 to 1.9. A TFR of 2.1, known as the replacement rate, would allow one generation to completely replace itself.

"Even though India's population is not yet declining, the TFR falling below the replacement rate will soon result in a demographic transition towards an older population with a declining share of the working-age population. Therefore, laws aimed at limiting population growth have now lost their significance," Justice Narasimha observed.

> The foundation of such laws, that is, the fear of overpopulation, has crumbled due to demographic changes in the past few decades... the TFR falling below the replacement rate will soon result in a demographic transition towards an older population with a declining share of the working-age population
>
> **SUPREME COURT**



The 2003 judgment had referred to the situation that existed in China as of 2000 and drew inspiration from the measures that it had undertaken to control the population.

Healthy growth

"The earlier perception that population has a negative impact on development does not hold water any more. Rather than society and the courts being concerned about the negative consequences of high population, it should instead focus on the need to encourage a healthy growth of population," the judgment, by a Bench including Justice Alok Aradhe, said.

The judgment pointed out that the share of persons aged 60 and above had risen from about 8.3% in 2014 to 9.7% in 2024, and government projections place that share at nearly 15% by 2036.

India's falling fertility rate, the court said, would necessarily mean a smaller proportion of younger persons in the future, and, correspondingly, a larger ageing population. The court said the failure to take notice of demographic changes would lead to only serious consequences. Failure to adapt not only produced injustice, but was also an abuse of power.

The judgment was based on a petition filed by Mangala Bhimrao Ingle, whose election as sarpanch of the Kakoda gram panchayat in Maharashtra was set aside on the ground that she had more than two children.

Justice Narasimha found such laws linking motherhood to political representation a violation of Article 21 (right to life) under the Constitution.

"Allowing such laws to stand excludes an entire class of citizens from political representation on grounds bearing little rational connection to their capacity to hold public office. It compels an unconscionable choice between bearing children and democratic participation, impinging on the right to reproductive autonomy under Article 21," Justice Narasimha observed.

Seeking an immediate re-visitation of the 2003 judgment, the court permitted the appellant to continue in her elected position while staying any proceedings against her.

CHAUDHARY ASSO TRG (85 8104529)

Blow for Trump as Democrats seize Congress

Opposition flips seats long held by GoP, securing majorities in both House and Senate in midterms

The U.S. President strikes a conciliatory note, says disappointing results are 'not a hit on him'

The landslide will give Opposition power to block legislation, investigate Trump's administration

Agence France-Presse
WASHINGTON

Democrats seized control of the U.S. Congress after the midterm election on Tuesday, capturing the Senate and House of Representatives in a stunning, nationwide rejection of President Donald Trump set to put the brakes on the final two years of his term.

With most of the electoral races called by Wednesday, the Opposition party won at least 237 seats in the 435-member House and increased its strength in the 100-member Senate to at least 54.

Democrats flipped seats that had long been held by Republicans, scoring breakthroughs in South Carolina, North Carolina, Iowa, Kansas, Ohio, Texas, and Maine as public anger at rising living costs compounded dissatisfaction with an already deeply unpopular President.

In Texas, Democrat James Talarico, a former schoolteacher who campaigned on a "politics of love", won the Senate defeating the State's attorney-general Ken Paxton, a close ally of Mr. Trump. He becomes the first Democrat to win Statewide office since 1994 while Gina Hinojosa unseated the State's Republican Governor, Greg Abbott, ending decades of Republican rule.

The scale of the victory grew further when Abdul El-Sayed defeated former Republican lawmaker Mike Rogers in Michigan to become the first Muslim elected to the upper chamber of Congress.

Not a hit on me: Trump

Mr. Trump struck a conciliatory tone despite his history of questioning elections, telling *The New York Times* he was "absolutely willing" to accept the results. However, he later told Fox News, "I do not view it as a hit on me." He also warned the Democrats against launching any effort to impeach him, saying that it would "destroy" their party. The landslide will give the Opposition power to block legislation, launch broad investigations into Mr. Trump's administration, and thwart his judicial and senior government appointments.

"Michigan, we did it!" Mr. El-Sayed said in a speech at his election headquarters after his historic win in Michigan.

Mr. El-Sayed won despite a last-minute curveball in his campaign when congresswoman Haley Stevens, who lost the Democratic primary to Mr. El-Sayed, came out in support of the Republican candidate at the 11th hour.

In Kansas, Methodist Minister Adam Hamilton became the first Democrat elected to the Senate from the reliably conservative State since 1932. Iowa had not elected a Democratic Senator since 2008.

In Maine, former logger Troy Jackson defeated long-time Republican Senator Susan Collins, the party's seventh Senate seat captured from Republicans. Democrats also protected key Senate seats of their own, including Jon Ossoff in Georgia and an open seat in New Hampshire.

The party's House victory saw gains across Pennsylvania, Kentucky, Arizona, North Carolina, Wisconsin and New Jersey, including districts Mr. Trump had carried comfortably in 2024.

Historic firsts

In a closely watched bellwether, Democrat J.D. Ford ousted Republican congresswoman Victoria Spartz in Indiana, capturing a district Mr. Trump won by 17 points two years back. Democrats won Georgia's governorship, electing former Atlanta mayor Keisha Lance Bottoms as the first Black woman governor in U.S. history.

Republicans had some consolation in Florida, where Trump-backed Byron Donalds became the state's first Black governor and Ashley Moody retained a Senate seat – but only after seeing off surprisingly strong Democratic challenges.

Democratic control of Congress will allow the party to pursue investigations into the Iran war, immigration enforcement and allegations of corruption, while blocking Mr. Trump's agenda and senior appointments.

Democratic Representative Robert Garcia, now expected to lead the powerful House Oversight Committee, warned Republicans on social media: "LAWYER UP."

House Democratic leader Hakeem Jeffries declared Mr. Trump's MAGA movement "on the run from sea to shining sea". Mr. Jeffries could become the first Black Speaker of the House when the new Congress meets in January.

Despite his conciliatory remarks, Mr. Trump also insisted on social media that Republicans would have won "IN A LANDSLIDE" if he had been running.

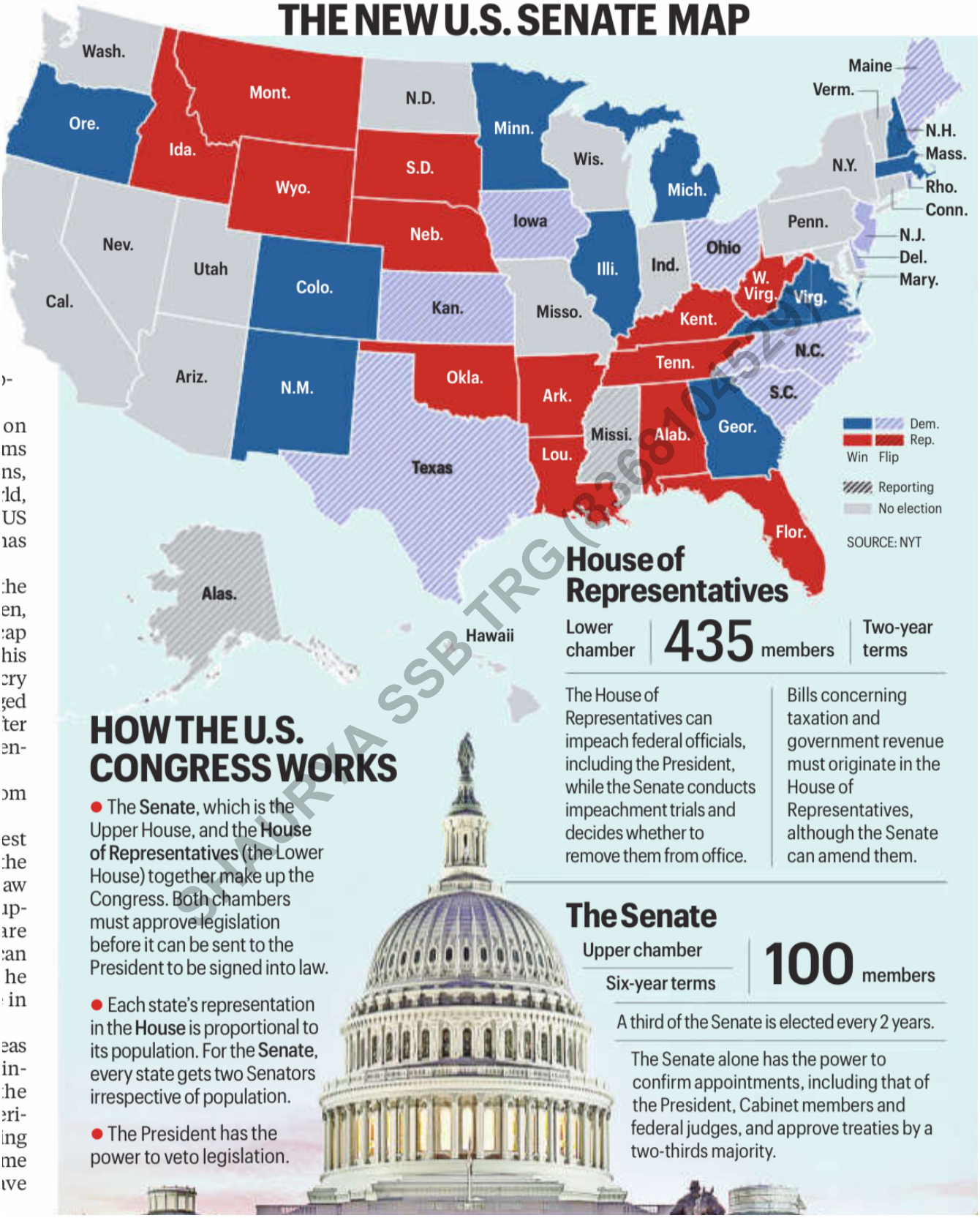


Jubilant crowd: Democratic supporters in Texas react on Tuesday as the party secured major victories in the midterm polls. REUTERS

MORE REPORTS ON
» PAGE 4, 12, 13, 14 & 15

SHUKLA (104579)

THE NEW U.S. SENATE MAP



House of Representatives

Lower chamber | **435** members | Two-year terms

The House of Representatives can impeach federal officials, including the President, while the Senate conducts impeachment trials and decides whether to remove them from office.

Bills concerning taxation and government revenue must originate in the House of Representatives, although the Senate can amend them.

HOW THE U.S. CONGRESS WORKS

- The **Senate**, which is the Upper House, and the **House of Representatives** (the Lower House) together make up the Congress. Both chambers must approve legislation before it can be sent to the President to be signed into law.
- Each state's representation in the **House** is proportional to its population. For the **Senate**, every state gets two Senators irrespective of population.
- The President has the power to veto legislation.

The Senate

Upper chamber | **100** members | Six-year terms

A third of the Senate is elected every 2 years.

The Senate alone has the power to confirm appointments, including that of the President, Cabinet members and federal judges, and approve treaties by a two-thirds majority.

SUKRIA SSB TRG (8368104529)

How U.S. midterm poll results could shape geopolitical options for India

Republicans have faced losses but it is unclear whether Trump will seek an early exit from the Iran war; the victory of candidates from immigrant families could temper anti-immigrant rhetoric; tariffs and trade deal other areas of interest

NEWS ANALYSIS

Suhasini Haidar
NEW DELHI

The dramatic results of the U.S. midterm elections will probably have less impact on India-U.S. bilateral relations than on geopolitics and, as a result, India's "operating environment" in the world. The elections gave the Democrats a majority in the House of Representatives and a comfortable edge in the Senate, which means U.S. President Donald Trump will face restraints on both domestic and foreign policy.

In interviews given after the results began to come in, Mr. Trump said he stood by his decision to attack Iran in February 2026, but acknowledged that Iran was "part" of the reason for Republican losses.

It isn't clear whether this means he will give talks with Iran a greater chance and look for an early exit from the war, but New Delhi will watch closely.

Since the U.S.-Israel strikes on Iran began, at least 24 Indians have been killed, including 15 seafarers, who died in attacks by the U.S. and Iran on vessels in the Strait of Hormuz and the Gulf of Oman.



U.S. Secretary of State Marco Rubio, left, had made positive comments on the FTA when he visited Mumbai last month. ANI

The Hormuz blockade has had a choking effect on India's energy and fertilizer imports and goods trade, and any cessation of hostilities would come not a day too soon for India.

"Both an escalatory, costly and unnecessary war as well as inflationary tariffs have been negatively assessed by voters," said Navtej Sarna, a former Indian Ambassador to the U.S. and Israel, who said it was still early to see what "specific aspects" of foreign policy would be affected by the results.

The results could have a mixed, or even negative, effect on India's ties with Russia and its import of Russian oil.

Mr. Trump's decision on October 16, 2026, to waive all tariffs on countries importing Russian oil under the Lindsey Graham sanctions Act (SRIA) has given India a temporary reprieve.

However, the SRIA had widespread bipartisan support, and New Delhi will need to work both sides of the aisle if it wants the Act calling for tariffs of up to 100% on Russian oil imports to remain waived.

Ministry of External Affairs officials have said India will not bow to unilateral U.S. sanctions in this case. However, compared with July 2026, when India imported about 51% of its oil needs from Russia, the figure dropped to 44% in August and 33% in September.

FTA negotiations

Another area where India would benefit from constraints on Mr. Trump's "adventurism" is tariffs and the Free Trade Agreement (FTA) negotiations with the U.S.

Despite positive comments from U.S. Secretary of State Marco Rubio, who travelled to Mumbai last month and met top Indian industry leaders, there is some doubt about whether the FTA can be ready in time for Mr. Modi's visit to North America and Europe in mid-December 2026, when he will attend the G-20 summit in Florida.

"The general climate after the midterms is marginally favourable for the conclusion of the deal, which is already done to a great extent," former diplomat Mohan Kumar told *The Hindu*.

"On balance, I see a strong chance of the deal being done by the time or when the PM is in Miami for the G-20 meeting," he predicted, citing rising inflation and mishandling of the economy as election issues.

The rise of Democratic governors, senators and Congress members from immigrant families in these elections could mean a reduction in the anti-immigrant rhetoric that has worried Indians and persons of Indian origin (PIOs) in the U.S. over the past few years.

However, it is unlikely to change the administration's stance on curbing visas, restricting the naturalisation of professionals and deporting undocumented migrants, as these have widespread support.

Finally, India will watch closely whether the Republican loss will affect Mr. Trump's Indo-Pacific policy, U.S. ties with China, and his interest in the Quad grouping.

SI BIJAYA SSB Tpg (8609614529)

U.S. midterm impact on India: faster trade deal talks, higher tariffs likely

NEWS ANALYSIS

T.C.A. Sharad Raghavan
NEW DELHI

The results of the U.S. midterm polls, which show that the Democrats having gained control of both the Senate and the House of Representatives, will likely hasten talks between India and the U.S. on a trade deal but could also see higher tariffs on India until the deal is closed, experts said.

On one hand, a desire to quickly close the trade pact to show strength domestically may induce Mr. Trump to raise tariff pressure on India, while on the other, Indian negotiators will likely see this election result as an opportunity to push through a favourable deal for India.

U.S. pressure to rise

According to Ajay Srivastava, founder of trade think-tank Global Trade Research Initiative, this loss will push U.S. President Donald Trump to increase his exercise of his executive powers to pressure India into accepting a deal.

"With foreign policy leverage failing against Russia, China and Iran, Trump needs a quick win," Mr. Srivastava said. "Expect heightened pressure on India for a trade deal to prove American clout."

Leaders in the U.S. and India have repeatedly said over the last few months that the deal between the two countries is almost ready and is awaiting final approvals.

India, in particular, has been holding out until it receives an assurance that it will win a clear advantage over its competitors.

"Trump will now use his executive powers to pressure India for a quick deal that secures market access for U.S. agricultural and industrial goods, alongside other major concessions for U.S. companies," Mr. Srivastava said.





Difficult choices: U.S. President Donald Trump may exert pressure on India to reach a trade deal. AP/ REUTERS

> Trump will now use his executive powers to pressure India for a quick deal that secures market access for U.S. farm, industrial goods, alongside other sops
>
> **AJAY SRIVASTAVA**
> Global Trade Research Initiative

While the U.S. Supreme Court in February defanged Mr. Trump's reciprocal tariff policy that had seen tariffs of up to 50% being levied on India, the President has other tools through which he can levy tariffs.

According to Deep Pal, director of geopolitics and policy at the Koan Advisory Group, the implications of these election results might lead to some difficulty for Mr. Trump in gaining support for his policies.

"For this administration, especially after tonight, any decision has to look like a win domestically, to core Republican voters," Mr. Pal said.

"With Congress out of his hands, a lot will depend on how much control Mr. Trump has over the Republican party and if there will be any purchase for his ideas."

However, Mr. Pal pointed out that the Indian government might view this new reality in the U.S. with greater optimism.

"Indian negotiators, on the other hand, may think that the new realities will make the Trump administration amenable to a better trade deal for India, breaking the current deadlock, and leading to a flurry of new conversations," Mr. Pal said.

He added, though, that the White House has so far shown it does not believe in stepping back, but rather in doubling down.

Tariffs may surge

The U.S. has already implemented several tariffs on India and other nations and has put into place tools that empower it to levy more.

The Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, which envisages tariffs of up to 100% on countries such as India that import large quantities of Russian oil and gas, was first co-proposed by a Republican and Democrat senator and received significant bipartisan support during its passage in both the Senate and the House.

Act in abeyance

Mr. Trump has kept the provisions of the Act in abeyance for now in national interest, but even if he were to decide to implement the tariffs, he will not receive resistance from the Democrat-controlled Congress due to the bipartisan support the Act received.

The U.S. is also currently investigating India and other countries under Section 301 of the U.S. Trade Act of 1974 into whether they are using strategic excess manufacturing capacity to hurt the U.S. economy. Mr. Trump can authorise additional tariffs on the basis of the findings of this investigation without the need for Congress approval.

10% tariff

He has already imposed a tariff of 10% on India on the basis of a Section 301 investigation into whether U.S. trade partners were doing enough to prevent the import of goods made using forced labour.

These Section 301 tariffs will come on top of the 50% tariffs Mr. Trump imposed last year under Section 232 of the Trade Expansion Act of 1962 on the import of all steel and aluminium, including from India. The U.S. Supreme Court, while striking down the legal basis for the reciprocal tariff system, allowed the Section 232 tariffs to remain. Even a Democrat-led Congress will not be able to revoke these tariffs.

SHANKAR SSB TRG (8501045201)

Trump's midterm drubbing exhibits the power of data-centre opponents

Democrats promising data-centre moratoriums win state offices; bonds rally, AI stocks drop on AI slowdown fears in markets; size and breadth of the Democratic wave are coming into focus; the victories hand political heft to backlash against projects which are at the heart of AI boom

NEWS ANALYSIS

Reuters
HONG KONG

Opponents of data centres were among the biggest winners of the Democrats' landslide wins in the U.S. midterm elections, pointing to a shifting public mood on AI and, investors said, a possible slowdown of the boom that has propelled U.S. economic growth and stock markets.

The size and breadth of the Democratic wave were still coming into focus. But in gubernatorial races in Texas and Georgia, Democrats who campaigned in part on a moratorium on data centre development won offices that the party had not held for decades.

Their victories hand political heft to the backlash against the projects, which are at the heart of the AI boom but are loud, thirsty for water, hungry for electricity and increasingly unpopular with their neighbours, investors said.



Fresh wave: People wait in line to vote during the U.S. midterm elections in New York City, U.S. REUTERS

Tough norms likely

Investors say the results are likely to usher in tougher regulation and could ripple across financial markets where AI stocks were falling on Wednesday; big bets have already started to wobble due to concerns about spending and overcapacity.

"In our view, the significance of these midterm elections is more like a referendum on AI than a referendum on (Donald) Trump," said Aidan Yao, a senior investment strategist at the Amundi Investment Institute, the research arm of Europe's largest asset manager.

"If the AI theme is subject to some restrictions, then the U.S. economy, U.S. inflation and U.S. monetary policy all become very, very uncertain."

In the mix too is the upcoming IPO of Anthropic. The world's largest AI company is preparing to begin formally marketing shares to prospective investors next week. An amended regulatory filing on Monday showed Anthropic's net loss narrowed in the third quarter, as revenue surged 47% from a quarter earlier to $16.96 billion, though the pace of growth slowed.

> But even Republicans turned against data centres, which opponents say, drive up utility bills, pollute night sky and do not create sufficient jobs or taxes to justify sops states pay

Texas sweep

The most stunning ballot box repudiation was in Texas, which GLJ Research has estimated accounts for about a quarter of U.S. data-centre capacity that is due to come online by 2030. Democrat Gina Hinojosa ousted Greg Abbott as governor in an upset that ended three decades of Republican hold on the office, while fellow party member James Talarico became the senator-elect.

A conservative, oil-rich state, Texas has worked for years to reinvent itself as a tech hub, attracting companies like SpaceX and entrepreneurs like Elon Musk, who donated more than $150 million to the Republican campaign.

But even Republicans turned against data centres, which opponents say drive up utility bills, pollute the night sky with lights and do not create sufficient jobs or taxes to justify the incentives that states pay.

"Data centres in space looking pretty appealing right now," Musk said on social media after the election.

"Guess my election-interfering space lasers didn't work this time."

In Georgia, where commercial real estate services and investment firm CBRE says Atlanta is the most active data-centre construction market in the country, Democrat Keisha Lance Bottoms won the gubernatorial contest, ending more than two decades of Republican control.

The AI trade

AI has been a dominant theme this year in the financial markets, driving stocks higher due to bets on chip demand while pushing up bond yields, as the data centre construction boom boosts economic growth.

Chip and AI firms like TSMC, Samsung Electronics, SK Hynix and Kioxia fell in Asia - along with bond yields - on Wednesday.

"The Democrats will likely push for greater regulation," said Nick Ferres, chief investment officer of Vantage Point Asset Management, a fund manager in Singapore.

"The two key risks ... have been the return on investment and the financing of the boom. Both have likely become more challenging now."

Shares in U.S. data centre operators Applied Digital,Terawulf, Core Scientific and Irenfell in pre-market trading, with losses ranging from 0.16% to 2.9%. Neocloud company Nebius rose nearly 2%, while rival Coreweave dipped 0.32%.

To be sure, many analysts said a slowdown in the building of data centres in the U.S. did not necessarily herald a change in demand for AI or computing power, and some view a roughly 8% drawdown in the Nasdaq over the past month as an opportunity to buy.

Still, Ilan Benhamou on J.P. Morgan's equity sales desk inNew York called the Texas race "the only thing that matters" in a pre-election note to clients, and investors are taking it as awake-up call.

"Companies do have to have the social license operate, and I think the current AI providers really have a PR crisis right now on their hands," said Katie Koch, chief executive of asset manager TCW, at a Hong Kong financial summit.

"They need to define what the social utility is going to be of AI and data centres to Americans, and so far they've been failing to do that."

SBI CRYA SSB TR 68 05 29

India-Nepal step up engagement ahead of Balen's maiden visit

Misri met Foreign Affairs Minister Shisir Khanal and Foreign Secretary Amrit Bahadur Rai

Yubaraj Ghimire & Shubhajit Roy
Kathmandu, New Delhi, November 4



Foreign Secretary Vikram Misri meets Nepal Foreign Minister Shisir Khanal in Kathmandu on Wednesday. ANI

AHEAD OF Nepal Prime Minister Balen Shah's India visit, Foreign Secretary Vikram Misri met Foreign Affairs Minister Shisir Khanal and Foreign Secretary Amrit Bahadur Rai in Kathmandu on Wednesday, as they discussed "connectivity, trade, development cooperation, energy and people-to-people relations".

Misri is scheduled to meet Prime Minister Shah — who is expected to visit India from November 22 to 24 — on Thursday to give a formal and final shape to his likely visit. If the visit materialises, this will be Shah's first to any neighbouring country after assuming office in March.

On the meeting between the two foreign secretaries, the Nepalese foreign ministry said on X the bilateral talks covered the entire gamut of Nepal-India relations, "including exchange of high-level visits, connectivity, trade, development cooperation, energy and people-to-people relations, underscoring the strong bond between the two countries".

In a post on X, the Indian Embassy in Nepal said Misri held talks on a range of issues of mutual interest with his Nepalese counterpart in preparation for Prime Minister Shah's visit.

Misri, who is in Nepal on a two-day visit at the invitation of Foreign Secretary Rai, paid a courtesy call on Foreign Minister Shisir Khanal and discussed prospects for expanding the multifaceted bilateral partnership presented by upcoming high-level engagements, it added.

According to Nepal's foreign ministry, various matters related to further deepening the multifaceted partnership and strengthening the age-old ties were discussed.

Khanal said the close relations between Nepal and India "will gain new heights", according to the ministry. The two sides discussed various aspects of bilateral cooperation, including energy, trade, sports and education, with a focus on further strengthening multifaceted relations and deepening the historical friendship between the two countries, it added.

Earlier in the day, Misri was welcomed at the airport by India's new Ambassador Sudhakar Dalela along with the officials of Nepal's Foreign Ministry and Indian Embassy. Ambassador Dalela arrived in Kathmandu on Tuesday and will soon be presenting his credentials to the President of Nepal.

Misri also paid a courtesy call on Finance Minister Swarnim Wagle and discussed economic collaboration between the two countries.

In September, Wagle's visit to India was part of Kathmandu's efforts to make up for its earlier actions —Nepal Prime Minister Shah had not met then Indian Ambassador to Nepal Naveen Srivastava for some months (aside from a joint call on by a group of foreign ambassadors based in Kathmandu), and his subsequent reluctance to meet Foreign Secretary Misri in May, which resulted in the latter's visit being cancelled.

In early September, the Nepal PM thanked India for its timely assistance in the aftermath of the flash floods that left more than 1,200 dead and thousands missing.

The course correction in ties, according to sources, had begun before the flash flood struck.

In June, Nepal's top leader Rabi Lamichhane of the ruling Rashtriya Swatantra Party (RSP) visited New Delhi. During his visit, Lamichhane had met PM Narendra Modi and Union Home Minister Amit Shah.

SHARDA SSD TRG (35) 045 DD

20,000 troops being deployed to Jakarta after arrest of top generals

Associated Press
JAKARTA

Indonesia's military is deploying more than 20,000 troops and personnel to the capital, Jakarta, officials said on Wednesday, as authorities investigate an alleged illegal wiretapping operation targeting the President that has led to the detention of three senior police generals.

The scandal took on added significance after the presidential palace said the alleged wiretapping targeting President Prabowo Subianto could be regarded as conduct "leading toward treason". Sensitive information accessible through a head of state's communications could endanger the state and national leadership, it said.



Gen. Listyo Sigit Prabowo, the presidential chief of staff and former police chief, is among those implicated in the scandal. AFP

Among those implicated in the scandal is the presidential chief of staff, Gen. Listyo Sigit Prabowo.

There are allegations that Cabinet officials, politicians, journalists, civil society leaders, and business executives were also subjected to unauthorised surveillance.

Authorities have not confirmed that the deployment is connected to the wiretapping probe. The first phase began on Monday with 2,100 personnel from units already stationed in Jakarta. Troops from outside the capital were to start arriving on Wednesday, bringing the total number of personnel involved to 20,980, according to the navy operations assistant, Vice Adm. Yayan Sofiyan.

Sofiyan did not elaborate on the purpose of the deployment or respond to questions about whether there were concerns about security or political tensions in Jakarta.

Indonesian armed forces spokesperson Maj. Gen. Muhammad Nas said the troop movement was standard procedure for maintaining national security and territorial integrity.

SHAURYA SSB TRG (8104539)