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DAILY NEWS DIGEST BY BFSI BOARD

04 June 2024



ECONOMY

Stock market, Modi rally: Sensex, Nifty soar, BSE m-cap jumps Rs 12L cr; India VIX plunges 20%: The broad-based Modi rally that pushed the BSE Sensex and the NSE Nifty to fresh record highs today added nearly Rs 12 lakh crore to the BSE market capitalisation (m-cap). At roughly \$5.09 trillion, the BSE m-cap surged to 4,23,71,233 crore today from Rs 4,12,12,881 crore on Friday, even as the equity benchmarks trimmed gains, as the session progressed. The BSE Sensex climbed 2,777.58 points to hit an all-time high of 76,738.89, as exit polls predicted third term for the incumbent BJP. Nifty too hit its record high of 23,338.70. It was later trading at 23,182.45, up 651.75 points or 2.89 per cent. Fear gauge India VIX, which suggests the likely volatility in market over the next 30 days, plunged 20 per cent to 19.2 per cent, as political uncertainty subsided. Almost all exit polls predicted the BJP-led NDA's seat wins in the 350-400 range, which was largely similar to opinion polls.

(Business Today)

J&K witnesses 134% growth in AePS transactions, Northeastern states follow, reveals PayNearby's report: The government's initiative towards digitisation has further resulted in the success of AePS (Aadhar-enabled Payment System) adoption in Jammu & Kashmir as the union territory witnessed a growth of over 134 per cent in value and 89 per cent in volume of AePS transactions in FY24 at retail stores, reveals 'Atmanirbhar Bharat Digital Empowerment' report by PayNearby. The report further highlights that MicroATM transactions at retail stores in Jammu & Kashmir saw a 31 per cent increase in both value and volume. Meanwhile, Punjab has witnessed the highest growth in disbursing MSME loans through retail stores, with 29 per cent increase. Insurance disbursements through retail stores also saw a significant uptick, with Kerala and Madhya Pradesh recording 24 per cent and 14 per cent increase, respectively.

(Financial Express)



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Turkish inflation exceeds 75% but peak in sight: Turkish inflation jumped above 75 percent in May, official data showed Monday, but officials expect consumer prices to have finally peaked in a cost-of-living crisis that has dogged President Recep Tayyip Erdogan. Turkey has been battling soaring consumer prices that prompted Erdogan to drop his opposition to interest-rate hikes to combat inflation. Turkey has been battling soaring consumer prices that prompted Erdogan to drop his opposition to interest-rate hikes to combat inflation. The central bank began to raise its key rate in June 2023, gradually taking it from 8.5 percent to 50 percent.

(Economic Times)

BANKING & FINANCE



RBI proposes to allow Indian banks to lend money to persons resident outside India: In a significant move, the Reserve Bank of India (RBI) has proposed to allow overseas rupee accounts to lend money to persons resident outside India. Also, the central bank proposed permitting opening of rupee account outside India by persons resident outside India, according to the annual report. The central bank finalised the strategic plan for 2024-25, and envisaged liberalisation of external commercial borrowing (ECB) framework and 'Go-live' for phase I of software platform for ECBs and trade credits reporting and approval (SPECTRA) project. Apart from this, the central bank also said it will be making a framework for a comprehensive integrated reporting of forex transactions and measures to improve the role of GIFT City.

(Moneycontrol)

Adani Group & ICICI Bank launch co-branded credit cards with airport lined benefits: Adani Group and ICICI Bank have joined hands to introduce co-branded credit cards offering airport-linked benefits, aiming to enhance customer experience across various businesses. The Adani One app, launched in December 2022, serves as a digital platform for booking tickets, accessing airport facilities, and more. The cards provide perks like Adani Reward Points on various spends, premium lounge access, free air tickets, discounts on duty-free shopping, and F&B expenses at airports. The group's Adani One, an app to help users book tickets, check flight status, access lounges, shop duty-free products, get cabs and avail parking, and ICICI Bank launched India's first co-branded credit cards with airport-linked benefits in collaboration with Visa.

(Economic Times)



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Punjab National Bank, IIFCL sign pact for financing infra projects: PNB and India Infrastructure Finance Company Ltd (IIFCL) on Monday signed an agreement to offer long-term financial assistance to viable infrastructure projects. With this, both the institutions will collaborate to fund the infrastructure projects wherein the parties can mutually participate under consortium/multiple lending arrangements to provide financial support to the prospective borrowers subject to due diligence and on a case-to-case basis, a joint statement said.

(Economic Times)

Now, a 'Bank Clinic' to guide you on complaints: The Bank Clinic is an initiative by the All India Bank Employees' Association (AIBEA) to help customers address their grievances amid rapid expansion in technology and a series of Reserve Bank of India (RBI) guidelines on retail banking. A customer can fill out the details of her/his complaint, create a ticket, and receive a reply in five working days on the remedies available and information on what the RBI guidelines prescribe on that matter. Bank employees have come together to launch a complaint redressal platform - Bank Clinic - to guide retail customers about their rights and remedies. Banksclinic.com is a website where a retail customer can register a complaint. Within five days, the platform will inform the customer of the regulatory guidelines regarding the matter. It will not be liable to resolve the customer's query but will guide them on available remedies.

(Economic Times)

INDUSTRY OUTLOOK



Nifty Bank index races past 50,000 mark in post-election euphoria: The Nifty Bank index, a gauge for the performance of leading banking stocks, crossed the 50,000 mark for the first time on Monday as the index rallied over 4 per cent in the exit-poll driven rally. The index reached the milestone as some of its key constituents like the State Bank of India (SBI), Axis Bank, and Bank of Baroda soared over 5 per cent to hit fresh 52-week highs. Public sector undertaking (PSU) banks were among biggest gainers on Monday, leading to a 8.4 per cent rise in the Nifty PSU Bank index, an index of only government-owned lenders. The Nifty Bank's journey from 40,000 to 50,000 has largely come on the back of gains made by the PSU banks. Since October 21, 2021, when the Nifty Bank first crossed the 40,000 mark, the stock prices of Bank of Baroda and Punjab National Bank have tripled,



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while SBI has gained 80 per cent. In the same period, HDFC Bank, Kotak Mahindra Bank, and Bandhan Bank have delivered negative returns.

(Business Standard)

Centre to fund 150 startups with ₹50 lakh each for developing advanced technical textiles: The Union textiles ministry is planning to give grants of up to ₹50 lakh each to 150 startups that are engaged in making technical textiles such as Kevlar and Spandex, said two people aware of the development. The funding is part of a ₹375 crore allocation for FY25 from the National Technical Textiles Mission (NTTM).

(Mint)



REGULATION & DEVELOPMENT

FSSAI directs beverage companies to remove “100% fruit juice” claim from labels and ads: The Food Safety and Standards Authority of India (FSSAI) has ordered beverage companies to remove claims of “100 per cent fruit juice” from labels as well as advertisements of reconstituted fruit juice products from immediate effect. Fruit concentrates and water are used to make reconstituted fruit juices. It has also directed food business operators (FBOs) to exhaust all existing pre-printed packaging materials before September 1. The food safety authority noted that the regulations have no provisions allowing companies to make a “100 per cent fruit juice” claim and hence are misleading. The Food Safety Authority said that it has found instances of several fruit juice companies making “inaccurate” marketing claims on packaged fruit juice products

(Business Line)

Sebi seeks additional IPO disclosures to speed up clearance process: In a bid to expedite the processing of initial public offerings (IPOs), the markets regulator will now seek additional information from lead managers (LMs) when they file draft documents. Last week, the Securities and Exchange Board of India (Sebi) sent a letter to bankers, listing over two dozens of new disclosure requirements. The average time Sebi takes to clear the draft red herring prospectus (DRHP) — a document companies must file before accessing public funds — has dropped to less than three months in 2024 (until May 31). This is a significant decrease compared to the average of 126 days in 2022 and 108 days in 2023, according to data from PRIME Database, a primary market tracking firm.

(Business Standard)



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FINANCIAL TERMINOLOGY

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RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 83.0659
INR / 1 GBP : 105.7977
INR / 1 EUR : 90.1542
INR /100 JPY: 52.8100

EQUITY MARKET

Sensex: 76468.78 (+2507.47)
NIFTY: 23263.90 (+733.20)
Bnk NIFTY: 50979.95
(+1996.00)

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