

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

Centre confident of meeting 4.4% fiscal deficit target despite revenue strain: The Centre remains confident of meeting its fiscal deficit target of 4.4% of GDP in FY26, even as the shortfall touched 36.5% of the full-year target in the first half (April–September) of 2025-26, govt sources tell Business Today TV. Official data released by the Controller General of Accounts showed the fiscal deficit at Rs 5.73 Lakh crore, up from Rs 4.75 lakh crore in the same period last year. The higher deficit in the first half was largely driven by muted tax revenue growth and front-loaded transfers to states, alongside a sharp rise in capital expenditure (capex). The Centre's capex rose 40% year-on-year to Rs 5.8 Lakh crore, exhausting nearly 52% of the full-year target, compared with 39% in the same period last year. This came on top of a subdued base in FY25, when capex had declined by about 15% due to the general elections.

(Business Today)

Manufacturing PMI rises to 59.2 in October on robust demand: Showing an improvement in the health of the sector, India's manufacturing sector performed well in October as Purchasing Managers' Index (PMI) rose to 59.2, S&P Global reported on Monday. This was also 12th successive month of job creation. PMI was 57.7 in September. The index is derived on the basis of responses from purchasing managers of 400 companies. Index above 50 means expansion, while below 50 index denotes contraction.

(Business Line)

India's exports to US dip 37.5% during May-Sep 2025: GTRI: India's exports to the US have dipped 37.5 per cent during May-September 2025 from \$8.8 billion in May to \$5.5 billion in September, think tank GTRI said on Sunday. It said that exports of pharmaceuticals, smartphones, metals and auto have declined during the period. Pharmaceutical product exports dipped 15.7 per cent from \$745.6 million in May to \$628.3 million in September. Industrial metals and auto parts facing uniform tariffs for all countries saw a modest 16.7 per cent drop, from \$0.6 billion to \$0.5 billion.

(Business Line)

BANKING & FINANCE



Ashok Leyland signs MoU with Punjab National Bank for dealer financing: Ashok Leyland, the Indian flagship of the Hinduja Group and the country's leading commercial vehicle manufacturer, signed a Memorandum of Understanding (MoU) with Punjab National Bank (PNB). Under this partnership, the Bank will provide competitive dealer finance options to the Medium and Heavy Commercial Vehicle (MHCV) dealers of Ashok Leyland.

(Business Line)

Purple Finance eyes SFB license by 2028: In the heart of India's small towns – with population size of three lakh – where kirana stores, tailoring shops, and roadside eateries form the backbone of local economies, Purple Finance is expanding its business by providing secured loan against property (LAP), with ticket sizes averaging Rs 7 lakh. The loan size is 40%, or even 100% lower than listed housing finance companies whose average ticket size hover between Rs 10-15 lakh in the affordable housing segment. Founded in 2021 by four entrepreneurs, the non-banking finance company (NBFC) has rapidly scaled its presence across seven states, including Maharashtra, Madhya Pradesh, and Uttar Pradesh, with 44 branches and a clear ambition to become a Small Finance Bank (SFB) by 2028.

(Financial Express)

CASA ratio up a tad as banks aim to protect NIMs: Banks are stepping up efforts to grow current account and savings account (CASA) deposits, in a bid to protect margins amid a competitive deposit environment. Data collated from Capitaline show that the average CASA ratio of 28 banks rose marginally to 36.27% in the July–September quarter, from 36.04% in the previous quarter. In the year-ago period, the ratio stood at 37.45%. In post-earnings calls, most bankers indicated that margins might have largely bottomed out. They said margins are likely to improve in the coming quarters as deposit costs begin to stabilise and get repriced. CASA deposits — being low-cost in nature — help reduce the overall cost of funds and support better net interest margins (NIMs).

(Financial Express)

Digital units of public SECTOR banks to undergo review: The government is gearing up for a comprehensive review of digital banking units with the goal of amplifying financial inclusion and simplifying customer interactions. These innovative units will aid in efforts such as regular customer verification and reclaiming unclaimed assets.

(Economic Times)

INDUSTRY OUTLOOK



ED's Rs 7,500-cr blow to Anil Ambani group: The Enforcement Directorate (ED) on Monday said its special task force has provisionally attached over 132 acres of land in Dhirubhai Ambani Knowledge City in Navi Mumbai, worth Rs 4,462.81 crore, as part of an alleged money-laundering probe against the group. The agency also attached properties at Pali Hill, popularly known as the Ambani family's residence, Reliance Centre in New Delhi, and multiple properties linked to the Anil Ambani-led Reliance Group, with a combined value of over Rs 7,545 crore.

(Financial Express)

Gold ETFs hold their shine: AUM crosses ₹1 trillion mark for the first time: The strong inflow momentum into gold and silver exchange-traded funds (ETFs) continued through October, even as prices of the precious metals eased in the latter half of the month. Gold ETFs are estimated to have attracted about ₹7,800 crore in October, nearly matching the record ₹8,363 crore inflows seen in September. The sustained inflows and earlier rally in gold prices pushed the assets under management (AUM) of gold ETFs past the ₹1 trillion mark for the first time. The AUM, which had crossed ₹50,000 crore in January 2025, has doubled within just nine months.

(Business Standard)

Dhan launches stock lending feature to let investors earn passive income: Fintech platform Dhan has launched the stock lending and borrowing mechanism (SLBM) feature, a move that will allow long-term investors to earn passive income from their idle stock and exchange-traded fund (ETF) holdings. The new feature enables investors to lend their unutilised shares to borrowers for a fixed rental fee without selling their investments. The low-cost brokerage claims lenders can earn between 6 per cent and 24 per cent per annum on highly liquid stocks, with all transactions guaranteed by the clearing corporation.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI's new norms to reshape Bank Nifty, impact ETFs and derivatives trading: The Securities and Exchange Board of India's (SEBI) new eligibility framework for derivatives on non-benchmark indices is set to reshape the Nifty Bank index, long dominated by large private lenders. The move is expected to broaden sector representation, cut concentration risk and realign passive fund flows, but may disrupt liquidity in the short term. The rules, issued last week, set stricter eligibility conditions for indices on which derivative contracts can be launched. SEBI has mandated such

indices to have at least 14 stocks, with the largest stock's weight capped at 20 per cent and the top three together not exceeding 45 per cent.

(Business Line)

PM Modi launches ₹1-lakh crore RDI scheme; 25,000 new Atal Labs planned:

Prime Minister Narendra Modi on Monday launched the ₹1 lakh crore Research, Development and Innovation (RDI) Scheme, a landmark initiative aimed at providing capital support for “high-risk, high-impact projects” and strengthening India’s innovation ecosystem. The government is also encouraging greater private sector participation in research and development, Modi said at the Emerging Science, Technology and Innovation Conclave 2025.

(Business Line)

NITI Aayog Unveils “Reimagining Agriculture: A Roadmap for Frontier Technology Led Transformation”:

NITI Aayog’s Frontier Tech Hub unveiled a groundbreaking roadmap titled “Reimagining Agriculture: A Roadmap for Frontier Technology Led Transformation” in Gandhinagar, Gujarat. The roadmap outlines a strategic vision to harness frontier technologies, including climate resilient seeds, digital twins, precision agriculture, agentic AI, and advanced mechanisation to enhance productivity, sustainability, and incomes across India’s diverse agricultural landscape. By segmenting farmers into three primary archetypes, i.e. Aspiring, Transitioning, and Advanced, the roadmap offers tailored, actionable solutions sensitive to the varied challenges faced by smallholders to commercial cultivators. The roadmap highlights that with the right interventions, India can unlock new levels of agricultural resilience, inclusive rural prosperity, and global competitiveness in agri-tech innovation, contributing meaningfully towards the vision of Viksit Bharat by 2047.

(PiB)



SORTINO RATIO

- The Sortino ratio is a variation of the Sharpe ratio. It differentiates harmful volatility from total overall volatility by using the asset's standard deviation of negative portfolio returns or downside deviation instead of the total standard deviation of portfolio returns.
- The Sortino ratio takes an asset's or portfolio's return and subtracts the risk-free rate. It then divides that amount by the asset's downside deviation.



RBI KEY RATES

Repo Rate: 5.50%
SDF: 5.25%
MSF & Bank Rate: 5.75%
CRR: 3.25%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 88.7932
INR / 1 GBP : 116.6974
INR / 1 EUR : 102.4348
INR /100 JPY: 57.5900

EQUITY MARKET

Sensex: 83978.49 (+39.78)
NIFTY: 25763.35 (+41.25)
Bnk NIFTY: 58101.45 (+325.10)

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TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

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