

DAILY NEWS DIGEST BY BFSI BOARD

08 May 2025



ECONOMY

FII's persistent as net buyers for 15th session; zero effect of Operation Sindoor on May 7:

Foreign investors continued their buying momentum in May, pouring Rs 2,586 crore into Indian equities on Wednesday, marking their fifteenth straight day of inflows. Domestic institutional investors (DIIs) also turned strong buyers, infusing Rs 2,378 crore into the market, as per provisional data. During the trading session of May 7, FIIs/FPI bought shares worth Rs 16,371.71 crore and sold shares worth Rs 13,785.85 crore, resulting in a net inflow of Rs 2,585.86 crore. DIIs bought shares worth Rs 13,168.99 crore and sold shares worth Rs 10,790.50 crore, leading to a net inflow of Rs 2,378.49 crore. For the year so far, FIIs have been net sellers of shares worth Rs 1.20 lakh crore, while DIIs have net bought Rs 2.18 lakh crore worth of shares.

(Moneycontrol)

India's exports to US soar to record \$11.2 bn in March, trade surplus widens sharply:

India's exports to the United States reached a record high of \$11.2 billion in March 2025, surpassing the \$10 billion milestone for the first time and showing a nearly 50% increase over the 12-month average. This increase in exports led to a total bilateral goods trade of \$15 billion for the month, as reported by the United States Census Bureau. This surge in trade follows a 90-day tariff pause announced by US President Donald Trump and a growing momentum towards a potential India-US trade agreement. The strong export performance in March concluded a successful first quarter for bilateral trade. From January to March 2025, India exported goods worth \$27.7 billion to the US and imported \$10.5 billion, resulting in a trade surplus of \$17.2 billion in India's favour. "India blows the doors off its record for exports to the U.S. in March- \$11.2b, first time it has crossed \$10b. Almost 50% higher than the 12-month average. Total bilateral goods trade also sets a record- around \$15b for the month," Richard Rossow, Chair in US India Policy Studies at the Center for Strategic and International Studies, wrote on X.

(Business Today)

US Fed holds rates steady, cites risk of higher inflation, unemployment: The Federal Reserve held interest rates steady on Wednesday but said the risks of both higher inflation and unemployment had risen, further clouding the economic outlook as the U.S. central bank grapples with the impact of Trump administration tariff policies. The economy overall has "continued to expand at a solid pace," the Fed said in a policy statement, attributing a drop in first-quarter output to record imports as businesses and households rushed to front-run new import taxes. The labor market also remained "solid" and inflation was still "somewhat elevated," the central bank's policy-setting Federal Open Market Committee said, repeating the language used in its previous statement.

(Business Standard)

BANKING & FINANCE



QNB Becomes First MEA Bank to Open Branch in India's GIFT City: QNB, the Middle East and Africa's largest financial institution, has inaugurated a branch in India's GIFT City, marking its expansion into the burgeoning Indian market. This strategic move aims to support Indian corporations seeking global banking partnerships and leverage India's strong economic growth and status as a global manufacturing hub.

(Economic Times)

NSE receives in-principle approval from Sebi for electricity derivatives: The National Stock Exchange (NSE) has received in-principle approval from the Securities and Exchange Board of India (Sebi) to launch electricity derivatives, the company's management stated during an analyst call on Wednesday following the fourth-quarter earnings announcement. However, the plan remains at a nascent stage, with the structure of the contracts yet to be finalised. "We have just about started the process. We have the in-principle approval, and the terms of the contract are still being discussed with the regulators. There is a lot of capacity building required before launching this product," said a member of the company's management during the call.

(Business Standard)

Banks bolster cyber defence amid India-Pakistan missile tensions: Banks have tightened their cyber security network to ward off any cyber threat in the wake of India launching missile attacks on Pakistan and Pakistan-occupied Kashmir. Banks have also improved their security at the branches near border areas due to heightened threat of a counter attack. "We have strengthened the

cyber security mechanism... we have created a 24 hours war room to diffuse any cyber attack... we are prepared for any eventuality," Punjab National Bank MD and CEO Ashok Chandra said. The bank has also beefed up security at the branches in the border areas, he said, adding that the bank has also made arrangements for safety and security of their staff.

(Business Standard)

Govt brings draft framework of 'India's Climate Finance Taxonomy': The Department of Economic Affairs on Wednesday invited public comments on the draft framework of 'India's Climate Finance Taxonomy', covering sectors including power, mobility, buildings, agriculture, and hard-to-abate sectors such as iron and steel, and cement, among others. "The taxonomy will emphasise adaptation and building resilience to ensure that developmental gains are not adversely impacted," the draft framework said. Taxonomy for climate finance refers to a standardised system for classifying investments and activities based on their environmental impact, helping investors direct funds towards sustainable projects. For MSMEs, the draft noted that the framework would follow a staggered approach, with simplified criteria and processes to reduce the burden of adoption—given their technological and resource constraints—while encouraging their participation in climate initiatives.

(Business Standard)

INDUSTRY OUTLOOK



India Inc does risk assessment, extends full support to armed forces: India's top corporate leaders scrambled to assess operational risks and business continuity after the Indian armed forces launched strikes on terror camps across the border in Pakistan, fuelling fears of further escalation. Senior executives at several top companies convened emergency meetings to evaluate exposure and prepare for possible disruptions. Firms also began issuing advisories to employees, with some initiating mock security drills. "There are marathon meetings going on since morning on the impact of the war on our operations and how we can help in war efforts," said an executive at a major defence and infrastructure firm, requesting anonymity.

(Business Standard)

Reliance Jio tops March subscriber growth with 2.17 million additions: Reliance Jio has gained the most number of subscribers in March with 2.17 million new wireless users or 74 per cent of all subscriber additions in the industry, data from the Telecom Regulatory Authority of India (TRAI) showed on Wednesday. The market leader has continued to consolidate its position in 2025, gaining

1.76 million and 0.68 million users in February, and January respectively. On the other hand, the pace of user addition for Airtel continued to slow for the second-month. In March, Bharti Airtel added 1.25 million users, down from 1.59 million and 1.65 million new users in the two preceding months.

(Business Standard)

Govt issues Letter of Intent to Starlink for satellite internet rollout: The government has issued Letter of Intent to Starlink for satcom services, sources said on Wednesday. Starlink is a satellite internet service developed by SpaceX -- the American aerospace manufacturer and space transportation company founded in 2002 by world's richest man Elon Musk. It provides high-speed, low-latency broadband internet worldwide using satellite technology. Sources told PTI that the Department of Telecom (DoT) has now issued Letter of Intent to Starlink. Prior to this, the government had issued licences to Eutelsat OneWeb and Jio Satellite Communications. Unlike conventional satellite services that rely on distant geostationary satellites, Starlink utilises the world's largest low earth orbit or LEO constellation (550 km above earth). This constellation of LEO satellites (7,000 now but eventually set to grow to over 40,000) and its mesh delivers broadband internet capable of supporting streaming, online gaming, and video calls.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI Chief invites FICCI input on easing regulations: SEBI chairman Tuhin Kanta Pandey met with around 50 industry leaders at a FICCI roundtable on Wednesday, inviting suggestions to ease and rationalise market regulations as part of the regulator's broader push to 'optimum regulation.' Members of the Federation of Indian Chambers of Commerce & Industry (FICCI) made recommendations and explained the rationale for changes to regulatory frameworks, including the Listing Obligations and Disclosure Requirements (LODR), Issue of Capital and Disclosure Requirements (ICDR), fundraising norms, takeover rules, and merchant banking regulations, among others. FICCI will also separately make written recommendations to the regulator in coming days, said a person aware of the discussions.

(Business Line)

Cabinet clears ₹72,000 cr push to expand IIT infrastructure, upgrade ITIs nationwide: The Union Cabinet on Wednesday approved two initiatives to boost infrastructure facilities at five new Indian Institutes of Technology (IITs) and to augment the capacity of Industrial Training

Institutes (ITIs). According to a government statement, the cost for expansion of the academic and infrastructure capacity of five new IITs has been pegged at ₹11,828.79 crore over a period of four years from 2025-26 to 2028-29. These five IITs are located in Tirupati (Andhra Pradesh), Palakkad (Kerala), Bhilai (Chhattisgarh), Jammu (UT of Jammu and Kashmir) and, Dharwad (Karnataka). The Cabinet also approved creation of 130 faculty posts at the level of professor in these IITs. Five new state-of-the-art research parks are also coming up to strengthen industry-academia linkage, the statement said.

(Business Line)

RBI to be more transparent in framing rules: The Reserve Bank of India (RBI) announced a new consultative framework for issuing guidelines, allowing stakeholders 21 days to comment on draft regulations. Before finalizing, the RBI will conduct an impact analysis, enhancing transparency. However, the framework may be bypassed in matters requiring confidentiality or concerning internal administrative issues, ensuring flexibility and efficiency.

(Economic Times)



CAPITAL ASSET PRICING MODEL (CAPM)

- ❖ The capital asset pricing model (CAPM) describes the relationship between systematic risk, or the general perils of investing, and expected return for assets, particularly stocks. It is a finance model that establishes a linear relationship between the required return on an investment and risk.
- ❖ CAPM is based on the relationship between an asset's beta, the risk-free rate (typically the Treasury bill rate), and the equity risk premium, or the expected return on the market minus the risk-free rate.

$$ER_i = R_f + \beta_i(ER_m - R_f)$$

where:

ER_i = expected return of investment

R_f = risk-free rate

β_i = beta of the investment

$(ER_m - R_f)$ = market risk premium



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RBI KEY RATES

Repo Rate: 6.00%
SDF: 5.75%
MSF & Bank Rate: 6.25%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 84.5715
INR / 1 GBP : 112.9678
INR / 1 EUR : 96.1319
INR /100 JPY: 59.1300

EQUITY MARKET

Sensex: 80746.78 (+105.71)
NIFTY: 24414.40 (+34.80)
Bnk NIFTY: 54610.90 (+339.50)

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