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## **DAILY NEWS DIGEST BY BFSI BOARD**

**09 November 2024**



## **ECONOMY**

**India and ASEAN to benefit from Trump presidency, says Moody's:** India and ASEAN economies would benefit from a Trump presidency, Moody's Ratings said on November 8. "In the Asia-Pacific region, trade and investment flows might be further diverted away from China as the US tightens investments in strategic sectors, which would negatively affect China's economy and consequently dampen regional growth," the ratings agency noted. Moody's, however, opined that this is likely to benefit India and ASEAN economies. "Continued US-China polarization also risks exacerbating geopolitical divisions in the region, increasing risks of disruption to the global supply of semiconductors," it further said.

### ***(Moneycontrol)***

**Govt advances GDP data release time:** The ministry of statistics and programme implementation (MoSPI) has advanced the release time of the Gross Domestic Product (GDP) estimates to 4PM, from 5:30 PM earlier. This has been to provide the public more time to analyse the national accounts data, an official release said. Recently, MoSPI advanced the release timings of the Consumer Price Index (CPI) and Index of Industrial Production (IIP) data as well. Both the data sets will now be released at 4PM on the 12th day of every month, from its previous time of 5:30. Economists see the advancing of data release time as part of many measures being taken to improve data frequency and transparency. Frequent sharp revisions of macro-economic data and certain incompatibilities being highlighted within data-sets and among different sets of data have come under criticism by some quarters.

### ***(Financial Express)***

**China approves \$840 bn plan to refinance govt debt, boost economy:** China on Friday approved a 6 trillion yuan (\$839 billion) plan to help local governments refinance their mountains of debt, in the latest push to rev up growth in the world's second largest economy. The plan will be



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implemented over the next three years, Xu Hongcai, vice-chairman of the National People's Congress's financial and economic committee, said at a news conference Friday. Finance minister Lan Fo'an estimated that the hidden debt of local governments was 14.3 trillion yuan (\$2 trillion) at the end of 2023. Hidden debt refers to debt that has not been disclosed publicly. Lan said 2 trillion yuan would be allocated each year from 2024 to 2026 to help local governments resolve their debts. He estimated that the amount of hidden debt will drop to 2.3 trillion yuan (\$320.9 billion) by the end of 2028.

***(Business Standard)***

## **BANKING & FINANCE**



**SBI Q2 results: Net profit rises 28% to Rs 18,331 crore, asset quality improves:** State Bank of India Ltd on November 8 reported 28 percent jump in net profit at Rs 18,331 crore for the quarter ended September 30, 2024. The PSU lender had reported net profit of Rs 14,330 crore in the year-ago period. In July-September quarter, interest income of the bank increased 12.32 percent on-year to Rs 1.14 lakh crore, as per press release. While, net interest income of the lender grew 5.37 percent on-year to Rs 41,620 crore in Q2FY25, from Rs 39,500 crore in a year ago period. Net interest margins (NIM) of the bank reduced by 15 basis points (Bps) on-year and 8 bps on a quarterly basis. According to the investor presentation, NIM stood at 3.14 percent in the reporting quarter, as compared to 3.22 percent in a quarter ago period and 3.29 percent in a year ago period. Gross NPA of the bank reduced by 4.14 percent in the second quarter of the current financial year to Rs 83,369 crore, from Rs 84,226 crore in a quarter ago period and Rs 86,974 crore in a year ago period. Similarly, net NPA declined by 4.96 percent on a yearly basis to Rs 20,294 crore in Q2FY25. In a quarter ago period, it stood at Rs 21,555 crore and in a year ago period it stood at Rs 21,352 crore, press release. Gross NPA ratio of the lender improved to 2.13 percent as on September 30, 2024, as against 2.21 percent as on June 30, 2024, and 2.55 percent as on September 30, 2023. Net NPA ratio declined to 0.53 percent as on September 30, 2024, as against 0.57 percent as on June 30, 2024, and 0.64 percent as on September 30 2023.

***(Moneycontrol)***

**LIC to complete stake buy in health insurance company by FY25-end:** Life Insurance Corporation of India (LIC) is expected to complete the stake buy in a health insurance company by the end of current financial year, Chairperson Siddhartha Mohanty said on November 8. "The



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groundwork is on. By the end of this financial year, I am expecting that we will have some stake in a standalone health insurance company, after receiving clearances from regulatory authorities,” Mohanty said during the post-earnings conference call. Life Insurance Corporation (LIC) on Friday reported a 3.75 percent decline in its consolidated net profit to Rs 7,729 crore for the September 2024 quarter as the insurance behemoth paid out more benefits than the premiums it earned.

***(Moneycontrol)***

**RBI imposes penalty on South Indian Bank:** The RBI on Friday said it has imposed a penalty of Rs 59.20 lakh on South Indian Bank for non-compliance with certain directions on 'interest rate on deposits' and 'customer service in banks'. The RBI said the bank levied penal charges for non-maintenance of minimum balance/average minimum balance without notifying certain customers by SMS/e-mail or letter. South Indian Bank also marked lien against certain NRE savings deposit accounts, the central bank said.

***(Economic Times)***

**Banks express no 'stress' as govt directs close monitoring of lending by MFI segment:** The government has directed public sector banks to closely monitor lending in the microfinance segment, particularly in co-lending arrangements with shadow banks. It has also asked banks to ensure credit access for the government's flagship schemes like the Mudra Yojana and PM Vishwakarma and maintain sensitivity during microloan recoveries. In a meeting earlier this week, the finance ministry asked lenders to exercise caution and adhere to due credit appraisal processes while sanctioning unsecured loans, particularly microloans. Banks have responded, stating that there is no significant stress in their retail unsecured portfolios, said people aware of the developments. "The issue was discussed during the performance review of PSBs. It was suggested that lenders follow the strict underwriting process before sanctioning unsecured loans," said an official, adding that banks were advised to be sensitive, especially in recoveries from retail and microfinance borrowers.

***(Economic Times)***

## INDUSTRY OUTLOOK



**Centre plans to set up mini Silicon Valley in Goa:** The central government will collaborate with the Goa government to create a framework to attract high-tech industries, including data centres and semiconductor facilities, aiming to establish a “mini Silicon Valley” in Goa, commerce and industry minister Piyush Goyal said on Friday. “In this framework, we envision developing Goa as a preferred destination for data centres, semiconductor chip design and development, and high-end



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electronics and automotive manufacturing,” he said while addressing the Amazing Goa Global Business Summit. Goyal also highlighted plans to create a mini hub for Global Capability Centers (GCCs) of multinational corporations in Goa. “With data storage capacity, infrastructure, and a high quality of life, I am confident Goa will emerge as a business center that the world will envy,” he added.

***(Financial Express)***

**CCI probe finds Zomato, Swiggy breached antitrust laws, struck ‘exclusivity contracts’ with partners:** An investigation by India’s antitrust body found food delivery giants Zomato and SoftBank-backed Swiggy breached competition laws, with their business practices favouring restaurant chains listed on their platforms, documents show. Zomato entered into “exclusivity contracts” with partners in return for lower commissions, while Swiggy guaranteed business growth to certain players if they listed exclusively on its platform, according to non-public documents prepared by the Competition Commission of India (CCI). Exclusivity arrangements between Swiggy, Zomato and their respective restaurant partners “prevent the market from becoming more competitive,” the CCI’s investigation arm noted in its findings reviewed by Reuters on Friday.

***(Financial Express)***

**Lokpal seeks Sebi chief Madhabi Puri Buch's response on Hindenburg charges:** Anti-corruption ombudsman Lokpal on Friday sought SEBI chief Madhabi Puri Buch's "explanation" on complaints of impropriety and conflict of interest filed by a Lok Sabha member and two others on the basis of a report by US-based short-seller Hindenburg Research, according to an official order. The Lokpal, however, clarified its order is only a "procedural directive" and "not an expression of our opinion on any matter in issue, either way". Buch, the chairperson of capital markets regulator Securities and Exchange Board of India (SEBI), has been asked to submit her response within four weeks, according to the order.

***(Business Standard)***



## **REGULATION & DEVELOPMENT**

**SC ruling brings NCLT under-staffing to the fore:** Despite the issue being flagged in many quarters, a large number of vacancies in the company law tribunals remains unfilled, resulting in a slowing of the process of insolvency resolution. This was highlighted by the Supreme Court while ordering the liquidation of grounded Jet Airways. “One another serious issue pertaining to the functioning of the NCLTs and NCLAT is that there is often a shortage of members in the tribunals and





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inadequate infrastructure to support their functioning. A shortfall of members and the lack of requisite strength has led to tribunals only sitting for a few days of the week or a few hours in a day," the SC said.

***(Financial Express)***

**Govt launches Rs 500 crore scheme to strengthen medical device industry:** Union Chemicals and Fertilisers Minister JP Nadda on Friday launched a Rs 500 crore scheme to strengthen India's medical devices industry, focusing on critical areas such as manufacturing key components and accessories, skill development, support for clinical studies, development of common infrastructure, and industry promotion. This initial outlay of Rs 500 crore will be for three years, up to financial year 2026-27 (FY27). The overall scheme consists of five components, including common facilities for medical device clusters, capacity building and skill development, a marginal investment scheme for reducing import dependence, clinical studies support, and a medical device promotion scheme.

***(Business Standard)***

**RBI includes spot deals to expand forex transactions reporting requirements:** The Reserve Bank on Friday said it has decided to expand the reporting requirement of forex transactions and include foreign exchange spot deals to ensure completeness of transaction data in the trade repository (TR) of the Clearing Corporation of India. Currently, authorised dealers report all over-the-counter (OTC) foreign exchange derivative contracts and foreign currency interest rate derivative contracts undertaken by them directly or through their overseas entities to the TR of Clearing Corporation of India Limited (CCIL). "To ensure completeness of transaction data in TR for all foreign exchange instruments, it has been decided to expand the reporting requirement to include foreign exchange spot (including value cash and value TOM) deals in a phased manner," the Reserve Bank of India (RBI) said in a circular.

***(Business Standard)***



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## FINANCIAL TERMINOLOGY

### RETRACEMENT

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- ❖ A retracement is a technical term used to identify a minor pullback or change in the direction of a financial instrument, such as a stock or index. Retracements are temporary in nature and do not indicate a shift in the larger trend.
- ❖ The term, used by technical analysts to analyze the price of securities, refers to a short-term change in a stock's price relative to an overarching trend. Once a retracement is over, there should be a continuation of the previous trend.
- ❖ Retracements are not the same as reversals—with the latter, the price of the security must breach support or resistance levels.



### 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 : 84.3751  
INR / 1 GBP : 109.3974  
INR / 1 EUR : 90.9243  
INR /100 JPY: 55.1900

### EQUITY MARKET

Sensex: 79486.32 (-55.47)  
NIFTY: 24148.20 (-51.15)  
Bnk NIFTY: 51561.20 (-355.30)

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