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DAILY NEWS DIGEST BY BFSI BOARD

11 December 2024



ECONOMY

India set for ‘resilient’ growth in 2025: S&P Global: The Indian economy is set for resilient growth in 2025 on the back of strong urban consumption, steady service sector growth, and ongoing investment in infrastructure, S&P Global Ratings has said in its ‘India Outlook for 2025’ note. For the current financial year, the global ratings agency has retained its growth projection at 6.8%, and for FY26, it has projected growth to rise to 6.9%. S&P Global’s FY25 growth forecast is 20 basis points (bps) higher than the Reserve Bank of India’s (RBI) projection of 6.6%. The GDP growth print for Q2FY25 was weaker than expected at 5.4%, said S&P Global. “The fiscal impulse was slower, and pockets of weakness such as the urban middle class held back,” it said.

(Financial Express)

Retail inflation likely fell sharply to 5.6% in November: Retail inflation, based on the Consumer Price Index (CPI), likely fell to 5.6% in November from a 14-month high of 6.21% in October, according to the median of 17 estimates. The sharp decline in the headline print was mainly due to cooling food prices, specifically of vegetables. In November 2023, CPI inflation stood at 5.55%. The National Statistical Office (NSO) will release the retail inflation data for the month, on Thursday. At the projected 5.6% print, the overall retail inflation index likely declined 0.1% on a month-on-month basis in November, the first sequential fall seen in the past 10 months. According to Morgan Stanley, the drop in the inflation rate in November was aided by “a moderation in food prices, even as core ticks up and fuel continues to decline”. On a sequential basis, we anticipate the index to decline on the back of contracting food prices and a deceleration in core CPI, the investment bank said in a report.

(Financial Express)

RBI Governor Shaktikanta Das emphasises on restoring inflation-growth balance: Restoring the inflation-growth balance is the most important task ahead of the Reserve Bank of India, Shaktikanta Das said on Tuesday in his swansong presser as RBI Governor. “I am sure Team RBI,



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under the leadership of the new Governor (Sanjay Malhotra), will take it forward,” Das said. Revenue Secretary Sanjay Malhotra has been appointed by the Government as the 26th Governor of RBI for three years. He will take charge tomorrow. In his last bi-monthly monetary policy statement on December 6, Das emphasised that high inflation reduces the disposable income in the hands of consumers and dents private consumption, which negatively impacts the real GDP growth.

(Business Line)

BANKING & FINANCE



Banks on a drive to augment CASA deposits, lend special focus on tapping new current accounters: In a bid to bring down the cost of deposits, banks are taking a slew of measures to increase the share of Current Accounts and Saving Accounts (CASA) in the total domestic deposits. The focus is more on tapping the current accounts, the proportion of which is comparatively lower than the savings accounts in CASA. State Bank of India (SBI), for instance, is trying to reduce dependence on current accounts of government departments and increase share of private business accounts by opening Transaction Banking Hubs across the country. For SBI, CASA accounts grew at 4.24 per cent in the second quarter of the current financial year ended September 2024 at ₹19,65,899 crore compared to ₹18,86,014 crore in the same period last year.

(Business line)

Public sector banks' write-offs touched ₹7 lakh cr in FY20-FY25 : Public Sector Banks have written off around ₹7 lakh crore between 2019-20 and 2024-25 (till September), the Finance Ministry has informed the Rajya Sabha. The good news is that these banks recovered over ₹5 lakh crore of their NPAs during the same period. A written reply from Minister of State in the Finance Ministry, Pankaj Chaudhary, showed that over ₹6.98 lakh crore was written off by 12 PSBs. “Banks write-off non-performing assets (NPAs), including those in respect to which full provisioning has been made on completion of four years, as per the Reserve Bank of India guidelines and policy approved by banks’ Boards,” Chaudhary said.

(Business Line)

PD Singh, Rahul Shukla, Ranganathan shortlisted for StanC India CEO: Former JP Morgan India CEO PD Singh, Rahul Shukla, group head, commercial and rural banking HDFC Bank and Venugopal Ranganathan, chief risk officer (CRO) at Standard Chartered are the three names submitted by the bank to the Reserve Bank of India (RBI) to succeed Zarin Daruwala as CEO of Standard Chartered in India and South Asia, people familiar with the matter said. Daruwala retires



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from the bank in March after eight years at the top job. “All three of them were interviewed by the bank sometime in October following which names have been sent to the regulator for its okay as it is the norm.

(Economic Times)

Disallow customers who attack bank branch staff from opening accounts for 3 years: **AIBEA** :After the recent spate of attacks by customers against bank branch staff, the All India Bank Employees’ Association (AIBEA) has asked the Indian Banks’ Association (IBA) to immediately blacklist customers who attack branch staff, close their accounts, and ensure that no banks open errant customers’ account for at least another 3 years. “We may be permitted to point out that employees and officers are working in the banks to earn their living and not to get attacked and beaten by unruly customers,” said C.H. Venkatachalam, general secretary, AIBEA. “It is not only physical attacks that are a matter of concern, but more often, we also get complaints from our members that customers use very abusive and foul language against the counter staff including lady employees. No customer, however valuable he or she may be, has any right to attack or abuse the bank staff,” he said.

(Business Line)

INDUSTRY OUTLOOK



Amazon joins quick commerce race, to begin 15-minute deliveries in India: E-commerce major Amazon is set to finally join Zomato’s Blinkit, Swiggy Instamart, Zepto, Flipkart Minutes, BigBasket and others to compete in India’s \$6-billion quick commerce market, the company’s rapid delivery arm, Samir Kumar, Country Manager, Amazon India told reporters on December 10. The pilots will begin in Bengaluru later this month. While reports had earlier suggested Amazon will call its quick commerce offering as Tez, the company is yet to decide on a name.

(Moneycontrol)

Reliance Industries seeks up to \$3 billion loan for refinancing: Billionaire Mukesh Ambani-owned Reliance Industries is in talks with banks for a loan of as much as \$3 billion to refinance debt due next year, according to people familiar with the matter. About half a dozen banks are in discussions with the Indian conglomerate for the loan, which would be syndicated to wider market in the first quarter of 2025, the people said, who asked not to be named as discussions are private. Terms have not been finalized yet and could be subject to changes, the people added. Reliance Industries has approximately \$2.9 billion worth of debt due in 2025, including interest payments,



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according to data compiled by Bloomberg News. A spokesperson for the group didn't immediately respond to a request seeking comment.

(Economic Times)

Star Health says no financial impact or customer loss due to data breach; FY25 growth on track: Star Health & Allied Insurance Co. Ltd., a leading standalone health insurer, stated that customer trust and retention remained unaffected despite a recent data breach. While there are no financial impacts, it continues to investigate all potential areas of the breach, which occurred in September–October. The breach reportedly occurred when the passwords of two external parties—a hospital and an agent—were compromised. The company has already implemented several measures to prevent similar incidents in the future, Anand Roy, MD & CEO of Star Health told businessline.

(Business Line)



REGULATION & DEVELOPMENT

Optional T+0 settlement cycle shall be made available to top 500 stocks from Dec 31: SEBI: Market regulator Securities and Exchange Board of India (SEBI) on December 10 issued a circular on enhancement in scope of optional T+0 rolling settlement cycle in equity cash markets. SEBI said optional T+0 settlement cycle shall be made available to top 500 scrips in terms of market cap as on December 31, 2024. All stock brokers are allowed to participate in optional T+0 settlement cycle, added SEBI. Stock brokers are permitted to charge differential brokerage for T+0 and T+1 settlement cycles, within regulatory limit, the regulator said.

(Moneycontrol)

EPFO reports 69% higher outstandings for FY24: The Employees' Provident Fund Organisation Tuesday said the amount outstanding for recovery as on March 2024 was ₹25,821 crore, which is 69.3% higher than Rs 15,254 crore at the end of March 31, 2023, reflecting a greater effectiveness of the compliance machinery of EPFO in assessing the outstanding amount during the year. "These are the defaults or non-compliance noticed by officers of EPFO during inspection or assessment proceedings where the outstanding amount has been assessed and recovery notices issued to defaulters to remit the assessed amount due," it said.

(Economic Times)



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FINANCIAL TERMINOLOGY

SIX SIGMA

- ❖ Six Sigma is a methodology for process improvement developed by a scientist at Motorola in the 1980s. Six Sigma practitioners use statistics, financial analysis, and project management to achieve improved business functionality and better quality control by identifying and then correcting mistakes or defects in existing processes. The five phases of the Six Sigma method, known as DMAIC, are defining, measuring, analyzing, improving, and controlling.
- ❖ Six Sigma is a quality-control methodology that businesses use to significantly reduce defects and improve processes.
- ❖ Six Sigma is based on the idea that all business processes can be measured and optimized.



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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 : 84.8531
INR / 1 GBP : 108.2793
INR / 1 EUR : 89.6552
INR /100 JPY: 56.1400

EQUITY MARKET

Sensex: 81510.05 (+1.59)
NIFTY: 24610.05 (-8.95)
Bnk NIFTY: 53577.70 (+169.95)

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