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DAILY NEWS DIGEST BY BFSI BOARD

16 January 2025



ECONOMY

US consumer inflation rises to 2.9% in December: US consumer inflation rose for a third straight month in December as energy prices rose, according to government data published Wednesday, adding pressure on the Federal Reserve to pause rate cuts. The consumer price index (CPI) accelerated to 2.9 percent last month from a year ago, up from 2.7 percent in November, the Labor Department said in a statement. This was in line with the median forecast of economists surveyed by Dow Jones Newswires and The Wall Street Journal.

(Moneycontrol)

RBI to conduct daily VRR auctions starting January 16 amid liquidity deficit: To ease liquidity tightness in the banking system, the Reserve Bank of India (RBI) has decided to conduct daily Variable Rate Repo (VRR) auctions until further notice. The first such auction will be conducted on January 16 for ₹50,000 crore. With the liquidity deficit, which has come about due to RBI's intervention (aimed at ensuring gradual depreciation of the Rupee against the Dollar) in the forex market, estimated at about ₹2 lakh crore as on January 14, market players say the move couldn't have come at a better time. The daily liquidity support via VRR auction could, to an extent, neutralise the (Rupee) liquidity-draining effect of RBI's forex market intervention. This could also soften Government Security yields.

(Business Line)

Trade deficit narrows to \$21.94 billion in December on lower imports: India's merchandise trade deficit narrowed to \$21.94 billion in December, down from a record \$31.86 billion in November, as gold imports halved to \$4.7 billion, according to commerce department data released on Wednesday. The data showed merchandise exports contracted by 1 per cent year-on-year to \$38.01 billion in December amid ongoing geopolitical tensions. Significantly, electronics exports rose 35.11 per cent to a 24-month high of \$3.58 billion in December 2024. Meanwhile, imports grew 4.9 per cent



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year-on-year to \$59.95 billion but fell by 6 per cent compared to November's revised figure of \$63.86 billion. The import data figure for the April-November 2024 period also saw a downward revision of \$17.5 billion to \$469.3 billion, from \$486.8 billion. The corrections primarily affected gold import data, which was revised downward by \$11.7 billion for the period, alongside reductions in silver and electronics imports.

(Business Standard)

BANKING & FINANCE



BoB raises Rs 5,000 crore through 10-year infrastructure bond at 7.23%: State-owned Bank of Baroda (BoB) on Wednesday raised Rs 5,000 crore through ten-year infrastructure bonds at a coupon rate of 7.23 per cent, sources said. Additionally, Indian Railway Finance Corporation (IRFC) raised Rs 2,780 crore through ten-year bonds at a cut-off rate of 7.25 per cent. BoB's infrastructure bond, rated AAA by CRISIL and India Ratings, had a base issue of Rs 2,000 crore and a green shoe option of Rs 3,000 crore. According to sources, BoB received a strong market response, with total demand reaching Rs 14,830 crore—7.5 times the base issue size and approximately three times the total issue size—across 110 bids. The bank decided to retain the full issue amount of Rs 5,000 crore.

(Business Standard)

FinMin reviews financial inclusion schemes, urges better banking outreach: M Nagaraju, Secretary of the Department of Financial Services (DFS) under the Ministry of Finance, reviewed the progress of financial inclusion schemes with heads of public sector banks (PSBs) and senior executives from private sector banks on Wednesday. The review meeting also included virtual participation by senior executives from the SIDBI, Mudra Ltd, Indian Banking Association (IBA), and NCGTC. Discussions centred on flagship programmes such as the PMJDY, PMJJBY and Stand-Up India. Nagaraju stressed the importance of expanding banking infrastructure in unbanked villages and improving connectivity in remote areas, particularly in the North East. He highlighted the significant strides made in social security and financial inclusion, urging banks to further extend these initiatives to more individuals.

(Business Standard)

Bank of Maharashtra Q3FY25 results: Net profit rises 36% to Rs 1,406 crore: State-owned Bank of Maharashtra (BoM) on Wednesday posted a 36 per cent rise in net profit to Rs 1,406 crore in the third quarter ended December 2024 with rising interest income. The Pune-based lender had



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posted a net profit of Rs 1,036 crore in the October-December period a year ago. Total income increased to Rs 7,112 crore during the quarter under review against Rs 5,851 crore in the same period previous year, BoM said in a regulatory filing. The bank was able to reduce gross NPAs to 1.80 % of the gross loans by the end of December 2024 from 2.04 % in the year-ago period.

(Business Standard)

INDUSTRY OUTLOOK



TRAI proposes rationalised broadband tariffs to boost PM-WANI scheme: The Telecom Regulatory Authority of India (TRAI) proposed a rationalisation of broadband tariffs for Public Data Offices (PDOs) under the PM-WANI scheme to address challenges impeding the growth of public Wi-Fi hotspots and ensure affordable connectivity for users across the country. The regulator, in its revised draft Telecommunication Tariff (71st Amendment) Order, 2025, prescribed that the broadband tariffs (FTTH) for PDOs under the scheme should not exceed twice the tariff applicable for retail broadband FTTH service.

(Moneycontrol)

India's green investments to grow 5-fold to Rs 31 trn by 2030: CRISIL: India's investments in green infrastructure and energy projects will grow five-fold over the next five years to Rs 31 trillion, according to market intelligence firm CRISIL. "Based on government announcements, plans of corporates and on-ground progress, we estimate green investments of nearly Rs 31 lakh crore between 2025 and 2030, led by renewable energy (RE) with Rs 18.8 lakh crore, followed by oil and gas (Rs 3.3 trillion), and transport and automotive (Rs 4.1 trillion)," said S&P Global company in its infrastructure report for 2025. According to CRISIL, this is a crucial part of an estimated \$10 trillion investments needed through 2070 to achieve the country's net-zero goals according to the Updated First Nationally Determined Contribution (NDC) under the Paris Agreement.

(Business Standard)

Shriram Housing becomes Truhome Finance, eyes 30% annual growth: Mumbai-based Truhome Finance, formerly Shriram Housing, aims to expand its business by 30% by FY26, backed by strategic initiatives and capital infusion of Rs 1,200 crore from owner Warburg Pincus. The company also plans sustained growth over the next 5-7 years and targets to be the No. 1 affordable housing finance company.

(Economic Times)



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REGULATION & DEVELOPMENT

FSSAI says any changes in labelling regulations will be enforced from July 1 every year:

In a bid to promote ease of doing business, the Food Safety and Standards Authority of India (FSSAI) on Wednesday said that it has decided to enforce any changes or amendments in labelling regulations from July 1 every year. It said this will provide food business operators a predictable regulatory environment and also ensure greater transparency for consumers. The labelling regulations are enforced through Food Safety Standards (Labelling and Display) Regulations 2020. “The date of enforcement has been decided as 1st July every year, subject to minimum of 180 days from the date of notification for the amendments related to FSS (Labelling and Display) Regulations and also for any change in labelling specified in other FSS Regulations,” an official statement added.

(Business Line)

Sebi resolves over 5,600 complaints through SCORES platform in Dec 2024: Capital markets regulator Sebi has disposed of 5,636 complaints in December last year through its complaint redressal system SCORES platform. According to Sebi data, the complaints pending as of November 30, 2024, stood at 5,826. During December, the regulator received 5,193 fresh complaints, bringing the total applications to 11,019. Of these, 5,383 complaints remained unresolved as of December 31, 2024, the regulator said in a public notice on Tuesday. The markets watchdog also highlighted that the average resolution time taken by entities to submit Action Taken Reports (ATRs) to investors in December was eight days. For complaints escalated to the first-level review, the average resolution time was five days, showcasing the efficacy of the updated system.

(Business Standard)

With 1.59 lakh startups, India is now world’s 3rd largest startup ecosystem: On January 16, 2025, India marks nine years of Startup India, a transformative journey that began in 2016. Designated as National Startup Day, this occasion celebrates the nation’s strides in fostering a robust and inclusive entrepreneurial ecosystem. Launched as a flagship initiative of the Government of India, Startup India aimed to nurture innovation and catalyse the growth of startups across the country. With more than 1.59 lakh startups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) as of January 15, 2025, India has firmly established itself as the third-largest startup ecosystem in the world. This vibrant ecosystem, driven by over 100 unicorns, continues to redefine innovation and entrepreneurship on the global stage. Major hubs like Bengaluru, Hyderabad,



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Mumbai, and Delhi-NCR have led this transformation, while smaller cities have increasingly contributed to the nation's entrepreneurial momentum.

(Business Standard)



FINANCIAL TERMINOLOGY

FRACTAL INDICATOR

- ❖ The fractal indicator identifies potential trend reversals by spotting recurring patterns across different time scales. As you do, the jagged edges maintain a similar shape, whether you're looking at miles of shoreline or just a few feet. This self-similarity at different scales is the essence of fractals, and it's this concept that the indicator applies to financial markets.
- ❖ The fractal indicator doesn't rely on complex mathematical formulas. Instead, it identifies specific price patterns that occur naturally in markets. When correctly interpreted, these can signal potential turning points in trends, offering traders prospects for both entries and exits.
- ❖ The bullish fractal pattern signals the price could move higher. A bearish fractal signals the price could move lower. A down arrow marks bullish fractals, and an up arrow signals bearish fractals.



RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 86.5008
INR / 1 GBP : 105.5621
INR / 1 EUR : 89.0733
INR /100 JPY: 54.9500

EQUITY MARKET

Sensex: 76724.08 (+224.45)
NIFTY: 23213.20 (+37.15)
Bnk NIFTY: 48751.70 (+22.55)

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