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DAILY NEWS DIGEST BY BFSI BOARD

17 March 2025



ECONOMY

FPIs continue sell-off; withdraw Rs 30,000 cr from equities in first fortnight in March: Foreign investors continue to pull back money from the Indian equity market withdrawing a little over Rs 30,000 crore in the first fortnight of the month amid escalation in global trade tensions. This came following an outflow of Rs 34,574 crore from equities in February and Rs 78,027 crore in January. With these, the total outflow by FPIs has reached Rs 1.42 lakh crore (USD 16.5 billion) in 2025 so far, data with the depositories showed.

(Moneycontrol)

India, New Zealand announce resumption of FTA talks: India and New Zealand on Sunday announced resumption of negotiations for a proposed free trade agreement, after it was stalled in 2015. India and New Zealand began negotiating the Comprehensive Economic Cooperation Agreement (CECA) in April 2010 to boost trade in goods, services, and investment. However, after nine rounds of discussions, the talks stalled in 2015. "The two nations are pleased to announce the launch of negotiations for a comprehensive and mutually beneficial India-New Zealand Free Trade Agreement (FTA) negotiations,"

(Moneycontrol)

India's forex kitty jumps sharpest in 2 yrs, rises \$15.26 bn to \$653.96 bn: In the sharpest jump in over two years, the country's foreign exchange reserves increased by \$15.267 billion to \$653.966 billion during the week ended March 7, the RBI has said. The overall reserves had dropped by \$1.781 billion to \$638.698 billion in the previous week. The reserves had been on a declining trend recently due to revaluation along with forex market interventions by RBI to help reduce volatilities in the rupee. The forex reserves had increased to an all-time high of \$704.885 billion at end-September 2024. The sharp rise during the week under review is being attributed to the \$10 billion forex swap



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undertaken by the central bank on February 28, when it bought dollars against rupee to inject liquidity in the system.

(Business Standard)

BANKING & FINANCE



Prime Minister applauds Reserve Bank of India for Winning Digital Transformation Award 2025:

The Prime Minister, Shri Narendra Modi applauded Reserve Bank of India (RBI) for Winning Digital Transformation Award 2025. RBI has been honored with the Digital Transformation Award 2025 by Central Banking, London, UK, recognizing its innovative digital initiatives—Pravaah and Sarthi—developed by its in-house developer team. Digital innovation continues to strengthen India's financial ecosystem, thus empowering countless lives.”

(PiB)

EIL, MECON, 4 others in fray for RBI's currency management project: State-owned Engineers India and MECON as well as four private entities are in the fray for the project to comprehensively revamp RBI's currency management infrastructure in order to cater to future cash needs of the country's fast growing economy. The four private entities are: Accenture Solutions; Colliers International (India) Property Services; PricewaterhouseCoopers and The Boston Consulting Group (India). The RBI had earlier invited expression of interest (EoI) for 'Procurement of Consultancy and Project Management Services for Modernisation of Currency Management Infrastructure in India'. The central bank had received responses from 11 entities.

(Economic Times)

IndusInd Bank stable, be wary of 'speculative reports,' says RBI: The Reserve Bank of India said Saturday that the financial position of IndusInd Bank "remains satisfactory", reassuring depositors of the safety of their money after the lender last week reported discrepancies in its derivatives portfolio and warned of a one-time hit on its net worth. The bank is "well-capitalised", while its financial health "remains stable" and is being closely monitored, the RBI said in a press release, and urged depositors not to be swayed by "speculative reports at this juncture”

(Economic Times)

Banks transfer McLeod Russel loan accounts to NARCL for debt resolution: A majority of lenders have assigned their loan accounts in India's largest bulk tea producer, McLeod Russel India, to National Asset Reconstruction Company Limited (NARCL), raising hopes for a faster debt



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resolution. In an intimation to the stock exchanges on Saturday evening, McLeod Russel informed about the assignment of loan accounts and financial assets with ICICI Bank (lead bank) and seven other banks in the consortium to NARCL under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act of 2002 (SARFAESI Act).

(Business Standard)

INDUSTRY OUTLOOK



Trai may restrict Starlink to mobile dark regions: With Bharti Airtel and Reliance Jio forming strategic partnerships with Starlink, the Telecom Regulatory Authority of India (Trai) is now expected to expedite its recommendations on satellite spectrum pricing. Sources said that the regulator will likely recommend that satellite companies initially focus on providing services in mobile dark areas — regions where terrestrial networks are unavailable. This move could alleviate concerns earlier expressed by Jio and Airtel, among other telecom operators, that global satcom players such as Starlink and Amazon Kuiper might capture urban market share without participating in spectrum auctions.

(Financial Express)

Trump's America & India's rise: Jaishankar breaks down big global shifts: In an interview with The Financial Times, Jaishankar discusses the dramatic shifts in global politics, India's growing influence, and what Trump's return to power means for the world. Having just wrapped up a whirlwind tour—including Trump's inauguration, the Munich Security Conference, and high-level talks in Delhi—he isn't caught off guard by the West's uncertainty. Instead, he sees it as validation of India's long-standing belief: the old world order is changing, and India is stepping up. Jaishankar isn't rattled by Trump's approach to global politics. "Americans have become weary of global entanglements and feel the benefits are less and the costs more," he says. For years, India has advocated a "multipolar world." Now, as Jaishankar notes, "it's become the American talking point." While many struggle to make sense of Trump's unpredictability, India takes a pragmatic approach. "I don't conduct foreign policy by saying I wish it could have been this or that. It's happened," he says.

(Business Standard)



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REGULATION & DEVELOPMENT

AI being used for collusion, says CCI chairperson: Artificial intelligence (AI) is being used for “collusion” by sections of Indian industry, Ravneet Kaur, chairperson of Competition Commission of India (CCI) said on Sunday, adding that the regulator would equip itself to deal with it. “Companies are using AI to coordinate prices without explicit agreements, and are engaging in algorithmic discrimination under the garb of dynamic pricing,” she said. According to Kaur, rapid adoption of AI which has become a driving force in modern markets. “Through the use of AI, we are seeing that there could be potential ways of collusion which doesn’t require human intervention. The regulators need to be up to date, be abreast of these developments, and its implications for competition,” she said.

(Financial Express)

Govt to bring Digital Competition Bill after due process:: The Indian government is not in a hurry to bring the Digital Competition Bill and wants to follow due process with further deliberations on the proposed legislation before introducing it, Minister of State for Corporate Affairs Harsh Malhotra said on Sunday. Speaking at the 10th National Conference on Economics of Competition Law in New Delhi, he underlined the need for further studying the best practices on digital competition laws in other jurisdictions such as the European Union, Japan, and Australia to assess their relevance to the Indian market. “There is a need being felt for a Digital Competition Bill. We are not in a big rush. After due process, the government wants to bring this Bill,” Malhotra said. “Indian players in the digital market should not be dominated by global players, and they should not dominate the smaller players - these discussions are on. Electronics ministry report on this has to come,” the minister said.

(Business Standard)

NCLAT directs investigation against order passed by Chennai bench of NCLT: In a rare incident, appellate tribunal NCLAT has directed an investigation into an order passed by the Chennai bench of the National Company Law Tribunal (NCLT). The National Company Law Appellate Tribunal (NCLAT) has directed the President of NCLT to conduct an enquiry into an order passed by it on March 15, 2022 saying it "cannot ignore the fact that the manner in which the order of 15.03.2022, has been passed", appears "dubious" and "not plausible". The facts and submissions in the matter "raise questions over the functioning of NCLT", the appellate tribunal observed while passing the order.

(Business Standard)



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FINANCIAL TERMINOLOGY

MONTE CARLO SIMULATION

- ❖ A Monte Carlo simulation is a model used to predict the probability of a variety of outcomes when the potential for random variables is present.
- ❖ Monte Carlo simulations help to explain the impact of risk and uncertainty in prediction and forecasting models.
- ❖ A Monte Carlo simulation requires assigning multiple values to an uncertain variable to achieve multiple results and then averaging the results to obtain an estimate.
- ❖ They are used to estimate the probability of cost overruns in large projects and the likelihood that an asset price will move in a certain way.
- ❖ Financial analysts use Monte Carlo simulations to assess the risk that an entity will default, and to analyze derivatives such as options.
- ❖ A Monte Carlo simulation takes the variable that has uncertainty and assigns it a random value. The model is then run, and a result is provided. This process is repeated again and again while assigning many different values to the variable in question. Once the simulation is complete, the results are averaged to arrive at an estimate.



RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 87.0833
INR / 1 GBP : 112.8141
INR / 1 EUR : 94.7472
INR /100 JPY: 58.9800

EQUITY MARKET

Sensex: 73828.91 (-200.85)
NIFTY: 22397.20 (-73.30)
Bnk NIFTY: 48060.40 (+3.75)

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