

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

**19 January 2026**



### **ECONOMY**

**Trump imposes 10% tariff on European countries over Greenland opposition:** US President Donald Trump announced that much of European countries could face a 10 per cent tariff for opposing American control of Greenland, highlighting escalating tensions over the Arctic territory. Trump announced on his Truth Social account that from February 1, 2026, countries including Denmark, Norway, Sweden, France, Germany, the United Kingdom, the Netherlands, and Finland would face a 10-percent tariff on goods sent to the US. He added that the tariff would rise to 25 percent on June 1, 2026, until Greenland is “completely and totally” sold to United States.

**(Moneycontrol)**

**Inflows into equity MFs dip 11% in 2025 on concerns over valuations, earnings revival:** Inflows into equity mutual fund schemes fell 11 per cent last year to ₹3.52 lakh crore from ₹3.96 lakh crore in 2024 even as retail investments through SIPs were hitting a new high every month. Informed investors have been trimming down their exposure to equity MF schemes on the back of concerns over high market valuations amidst growing global uncertainty and a possible slowdown in corporates earnings revival. However, retail investors are betting big on equity markets through Systematic Investment Plans which touched a new high of ₹31,002 crore in December.

**(Business Line)**

**Budget FY27: Centre could eye Rs 16-17 lakh crore market borrowing:** The central government is expected to borrow between Rs 16–17 lakh crore through debt securities in FY27, according to economists. The elevated supply outlook is primarily due to a sizeable Rs 5.5 lakh crore redemption profile during the year. Market

participants project the debt-to-GDP ratio to ease to around 55% in FY27, marginally down from 56% in FY26. Importantly, from FY27 onwards, the Centre will anchor fiscal consolidation to debt-to-GDP rather than the fiscal deficit.

**(Business Line)**

## BANKING & FINANCE



**ICICI Bank Q3 earnings: Profit down 4% to Rs 11,318 crore:** ICICI Bank on Saturday reported a standalone net profit of Rs 11,317.86 crore for the quarter ended December 31, 2025, marking a decline of 4 per cent from Rs 11,792.42 crore reported in the same period last year. The private sector lender's Net Interest Income (NII) witnessed a steady rise, climbing 7.7 per cent to Rs 21,932.2 crore in the reporting quarter, compared to Rs 20,371 crore in the corresponding quarter of the previous financial year. The Gross NPA ratio improved to 1.53 per cent at December 31, 2025, down from 1.96 per cent a year ago. Similarly, the Net NPA ratio tightened to 0.37 per cent from 0.42 per cent in the previous year.

**(Business Today)**

**HDFC Bank Q3 net profit rises 11.5% YoY to Rs 18,654 crore; asset quality stable:** HDFC Bank on Saturday reported an 11.5 percent year-on-year rise in standalone net profit for the fiscal third quarter, supported by steady growth in core earnings, healthy deposit accretion and stable asset quality, even as margins remained under some pressure. The country's largest private sector lender posted a profit after tax of Rs 18,654 crore for the quarter ended December 31, 2025, compared with Rs 16,736 crore in the corresponding period last year. Asset quality remained stable during the quarter. Gross NPA stood at Rs 35,179 crore as of December 31, 2025, compared with Rs 36,019 crore a year earlier. The gross NPA ratio improved to 1.24 percent from 1.42 percent in the same period last year. Net NPAs declined to Rs 11,982 crore from Rs 11,588 crore a year ago, with the net NPA ratio easing to 0.42 percent from 0.46 percent.

**(Moneycontrol)**

**LIC should continue focus on digital marketing: Nagaraju:** Financial Services Secretary M Nagaraju on Saturday asked LIC to continue adopting digital marketing and a mobile-first approach to ensure the realisation of the national goal of "insurance for all". Life Insurance Corp (LIC) has a consolidated AUM of Rs 57.23 lakh crore and an yield of 8.9 per cent on policyholders' funds, supported by a strong solvency ratio, a finance ministry statement said. This corpus may be used for incentivising growth of startups and alternative investment funds. The importance of improving persistency ratios, particularly among low-ticket policyholders, through concerted push and continuous follow-up was underlined, it said.

**(Economic Times)**

**ICICI Bank board approves Sandeep Bakhshi's reappointment as MD & CEO till 2028:** ICICI Bank's board has approved Sandeep Bakhshi's reappointment as Managing Director and Chief Executive Officer. His new term will begin on October 4, 2026, and conclude on October 3, 2028. This decision is subject to approvals from the RBI and shareholders. Bakhshi has led the bank since 2018, focusing on risk controls and asset quality.

**(Economic Times)**

**Public sector banks seek RBI OMO support for state development loans:** Public sector banks have requested the RBI to include state bonds in open market operation (OMO) purchase auctions, sources said. The last time the central bank included state development loans (SDLs) in OMO auctions was in 2020, when yields had surged. "There have been some requests from PSU banks because of the widening spread," said a person aware of the development. "The last time the RBI did it was during Covid, and it was a very difficult decision," the person said. Ten-year SDL yield spreads over the benchmark 10-year government bond yield have widened steadily, moving from about 30–35 basis points last year to around 80–92 basis points currently, largely due to the heavy supply of state government securities. While the RBI's OMO purchases have helped keep 10-year G-sec yields in the 6.60–6.65 per cent range, the focus of these purchases on central government securities has contributed to the widening of spreads.

**(Business Standard)**

# INDUSTRY OUTLOOK



## **Greenland Tariffs: India must protect strategic autonomy in dealing with US:**

Though officials indicate that a trade deal with the US is close, President Donald Trump's Greenland-related tariffs on eight European countries highlight the need for greater caution on India's part. New Delhi must safeguard its strategic autonomy and build adequate protections into any trade agreement, experts said. An agreement with the US is important as it remains the largest market for Indian goods despite the imposition of 50% tariffs. "India's exports to the US are still holding up so there is little need to panic or expedite the trade negotiations. The negotiators should also aim to build in safeguards in the deal to guard against reversal of concessions," a senior industry official said.

**(Financial Express)**

**World Wide Web inventor wants to bring his digital data system to India:** Sir Tim Berners-Lee, the celebrated computer scientist who invented the World Wide Web, said he would like to see India introduce SoLiD, a digital platform he has developed to allow users to take control of their own data. Separately, he said he had a telephone conversation with Pramod Varma, often described as an architect of the Aadhaar unique identity system, about the architecture of UPI, the digital payment interface. The UK does not have a comparable system.

**(Business Standard)**

**Industry confidence hit five-quarter high in Q3: CII Survey:** Business confidence among Indian industry has risen for the third consecutive quarter, reaching a five-quarter high of 66.5 in the October-December period (Q3 FY26), according to the Business Outlook Survey released by CII. The uptick from 66.0 in Q2 FY26 reflects sustained optimism driven by resilient domestic demand, improved profitability, and positive expectations around investment and capacity expansion, even as global uncertainties persist due to geopolitical tensions and trade disruptions.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**RBI stands firm on higher compensation caps in final Ombudsman Scheme norms:** The Reserve Bank of India (RBI) has retained higher compensation limits under Reserve Bank – Integrated Ombudsman Scheme, 2026, rejecting industry requests to either roll back or recalibrate the proposed ceilings despite concerns over operational and financial impact, it said in a release on Friday. The draft norms were released in October. The revised scheme will come into force from July 1 and is expected to strengthen the ombudsman framework and bring about further efficiency in resolution of complaints. According to the guidelines, the Ombudsman would have the power to award compensation of up to Rs 30 lakh for consequential losses and up to Rs 3 lakh for loss of time, expenses, harassment or mental anguish suffered by complainants.

*(Financial Express)*

**Centre permits 500,000 tonnes of wheat product exports under strict rules:** The Centre has permitted exports of 500,000 tonnes of wheat products, namely wheat flour (atta), maida and semolina, but under strict conditions. This permission to export wheat products comes just weeks ahead of the 2026 harvest season, in which wheat production is expected to touch a new record. India had banned exports of wheat and wheat products some years ago to control domestic prices. However, some months ago, it permitted exports of wheat bran, whose prices had dipped sharply due to the extensive use of distillers' dried grains with solubles (DDGS) — a protein-rich by-product of ethanol production — for animal feed in place of wheat bran.

*(Business Standard)*



# FINANCIAL TERMINOLOGY

## **EQUATION OF EXCHANGE**

- The equation of exchange is an economic identity that shows the relationship between the money supply, the velocity of money, the price level, and an index of expenditures.
- It says that the total amount of money that changes hands in the economy will always equal the total money value of the goods and services that change hands in the economy.
- In its basic form, the equation says that the total amount of money that changes hands in an economy equals the total money value of goods that change hands, or that nominal spending equals nominal income.
- The equation of exchange has been used to argue that inflation will be proportional to changes in the money supply and that total demand for money can be broken down into demand for use in transactions and demand to hold money for its liquidity.



## RBI KEY RATES

Repo Rate: 5.25%

SDF: 5.00%

MSF & Bank Rate: 5.50%

CRR: 3.00%

SLR: 18.00%

Fixed Reverse Repo: 3.35%

## FOREX (FBIL 1.30 PM)

INR / 1 USD : 90.6497

INR / 1 GBP : 121.3147

INR / 1 EUR : 105.2244

INR /100 JPY: 57.2400

## EQUITY MARKET

Sensex: 83570.35 (+187.64)

NIFTY: 25694.35 (+28.75)

Bnk NIFTY: 60095.15 (+515.00)

### Courses conducted by BFSI Board

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- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
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For details please visit  
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### Publications by BFSI Board

- ❖ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ Handbook on Central Bank Digital Currency (CBDC)
- ❖ Monograph on Climate Risk and Green Finance-Banking Sector-International Practices and Indian Perspective (2nd Series)
- ❖ Guidance Note on Cost Control Strategies in the Banking Sector

## TEAM BFSIB

### Banking, Financial Services & Insurance Board

### The Institute of Cost Accountants of India (ICMAI)

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