

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

Wall Street slumps after Trump threatens 8 NATO members with punishing tariffs over Greenland: Stocks are falling on Wall Street after President Donald Trump threatened to hit eight NATO members with new tariffs as tensions escalate over his attempts to assert American control over Greenland. The S&P 500 sank 1.3% in early trading Tuesday. The Dow Jones Industrial Average dropped 642 points, or 1.3%. The Nasdaq composite slumped 1.5%. Trump said Saturday that he would charge a 10% import tax starting in February on goods from Denmark, Norway, Sweden, France, Germany, the United Kingdom, the Netherlands and Finland. European markets also fell and Treasury yields moved higher in the bond market. The annual combined imports from European Union nations are greater than those from the top two biggest individual importers into the U.S., Mexico and China.

(Moneycontrol)

Gold and silver hit record highs amid US-Europe tensions and tariff fears: Gold and silver surged to fresh record highs on Tuesday, with spot gold crossing \$4,725 per ounce and silver breaching \$95 per ounce, driven by escalating geopolitical tensions between the United States and Europe. On the domestic front, MCX gold rose above ₹150,000 per 10 grams while MCX silver crossed ₹326,000 per kg, marking historic peaks ahead of the February 1 Union Budget. The rally has been fueled by President Donald Trump's renewed push for the U.S. to acquire Greenland, coupled with threats of tariffs on eight European countries, including France, Germany, and the UK. "A 10 per cent duty is scheduled to take effect from February 1, with tariffs expected to rise to 25 per cent by June,"

(Business Line)

Core sectors grow 3.7% in December as cement, steel lift output: India's eight core infrastructure sectors grew to a four-month high of 3.7 per cent in December, the government reported on Tuesday. However, core sector growth was still below 5.1 per cent in December. The eight sectors include coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity. These comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP). This performance will affect overall industrial growth data, which will be released on January 28.

(Business Line)

BANKING & FINANCE



Department of Posts revamps its ATM infrastructure with activation of 887 ATMs across India: In a major step towards making banking services more accessible and user friendly, the Department of Posts has revamped its ATM infrastructure across the country. Installed at various post offices, these 887 ATMs are helping citizens access essential banking services close to their homes. The initiative is especially beneficial for people living in rural, and underserved areas, thereby supporting the Government's vision of ensuring financial inclusion through digital transformation.

(PiB)

Banks go slow on low-yield lending: Several Indian banks are modifying their lending approaches in response to current market dynamics. Federal Bank and Yes Bank have reduced their retail lending activities, particularly focusing on housing loans which typically offer lower returns. They are also scaling back loans to large corporations that are seeking favorable interest rates.

(Economic Times)

RRB amalgamation: FinMin to hold review meeting with CEOs of PSU banks on January 30: The finance ministry is scheduled to hold a meeting with heads of public sector banks and chairpersons of Regional Rural Banks (RRBs) on January 30 to review their performance after amalgamation. The meeting would be chaired by

Department of Financial Services Secretary M Nagaraju and likely to be attended by NABARD Chairman, SIDBI CMD and Executive Director concerned of Reserve Bank of India, sources said. This is going to be the first high-level meeting after the fourth round of consolidation of RRBs effective May 1. This consolidation has reduced the number of RRBs to 28 from 43.

(Economic Times)

AU Small Finance Bank strengthens leadership, reports 26% jump in Q3 profit:

AU Small Finance Bank has proposed continuity in senior management and strengthened its board ahead of its transition into a universal lender. The bank, meanwhile, reported a 26% rise in third quarter net profit at Rs 668 crore, backed by lower provisions and steady business expansion.

(Economic Times)

PNB eyes organic growth in southern states, rules out acquisition plans:

Punjab National Bank (PNB) MD & CEO Ashok Chandra on Monday said the state-run lender is focusing on organic expansion in southern India, with no proposals for acquisitions currently under consideration, reported Times of India. "No decision or discussion regarding (any) acquisition has happened at the board level or at the govt level," Chandra told TOI, responding to queries on potential acquisition plans. The announcement comes as PNB reported record quarterly profits of ₹5,100 crore for October–December, up 13% from the same period last year, driven in part by lower tax outgo. The bank expects its net interest margin to improve in upcoming quarters and said both deposit and advances growth are on track with overall targets, contrasting with some private banks facing sluggish deposit growth.

(Business Standard)

INDUSTRY OUTLOOK



‘Mother of all deals’: Who could gain what from the India-EU FTA: India and the European Union (EU) are poised to sign a landmark free trade agreement on January 27, hailed by leaders as the “mother of all deals.” Under the agreement, the EU stands to gain easier access for its wines, spirits, and automobiles in the Indian market, while India is expected to expand its exports of labour-intensive goods such as textiles, leather, and marine products. The India-EU talks were first launched in 2007, when both sides began negotiations on what was initially called the Broad-Based Trade and Investment Agreement (BTIA).

(Moneycontrol)

Postal Channel Enabled with Export Benefits for MSMEs and Small Exporters:

The Department of Posts (DoP), has operationalised the extension of export benefits—Duty Drawback, Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL)—for exports made through the postal channel, with effect from 15 January 2026, in pursuance of notifications issued by the CBIC. With automated IGST refunds already in place, the availability of export incentives through the postal channel further reduces costs, improves liquidity, and enhances the competitiveness of Indian exporters. Exports through the postal channel are facilitated through Dak Ghar Niryat Kendras (DNKs), providing end-to-end export facilitation under one roof. At present, 1,013 DNKs are operational across the country, enabling exporters from even remote and underserved regions to access global markets through booking, digital documentation, and seamless customs clearance.

(PiB)

Emirates NBD Bank gets CCI's nod to acquire majority stake in RBL Bank: Fair trade regulator CCI on Tuesday approved Emirates NBD Bank's proposal to acquire a majority stake in private sector lender RBL Bank Ltd. The move came after Emirates

NBD Bank (ENBD) in October 2025 said that ENBD and RBL Bank's boards had cleared entering into definitive agreements to acquire a controlling stake in RBL Bank through a primary infusion of approximately USD 3 billion (Rs 26,850 crore).

(Business Standard)



REGULATION & DEVELOPMENT

Private banks' dividend headroom to surge under RBI proposal; actual payouts unlikely to rise: Icra: New Reserve Bank of India rules will allow private banks to pay significantly higher dividends than state-owned banks. This shift is due to linking payouts to core capital instead of total capital. While ceilings are rising, banks are expected to continue conserving capital. The changes aim for a more robust dividend distribution framework for the banking sector.

(Economic Times)

Centre likely to amend Sarfaesi Act for control over Central Registry: The Union government is considering a set of amendments to the Sarfaesi Act, 2002 to remove legal ambiguities, strengthen oversight of the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (Cersai), and improve ease of doing business, according to sources familiar with the matter. Cersai is a central online database created by the Indian government to record security interests (mortgages-/charges) over properties, preventing fraudulent multiple lending on the same asset by storing details of loans against immovable, movable, and intangible assets, increasing transparency in lending, and ensuring lenders can verify prior encumbrances.

(Business Standard)

Co-borrowers must be co-owners and contribute to EMIs to claim tax benefits: A home loan not only makes property ownership more accessible but also offers valuable tax benefits under the Income-tax (I-T) Act, 1961. However, these deductions come with specific conditions, limits, and timelines that are often misunderstood. Under the I-

T Act, 1961, interest on a self-occupied home is deductible up to ₹2 lakh annually, provided the loan is for purchase or construction, and the latter is completed within the prescribed time. If the loan is for repairs or construction is delayed, the deduction is capped at ₹30,000 annually. For a let-out or deemed-to-be-let-out property, the full housing-loan interest is deductible. However, loss set-off against other income is capped at ₹2 lakh per annum, with the balance carried forward.

(Business Standard)



FINANCIAL TERMINOLOGY

J-CURVE

- A J-curve is a trendline that shows an initial loss immediately followed by a dramatic gain. In a chart, this pattern of activity would follow the shape of a capital "J".
- The J-curve effect is often cited in economics to illustrate the way that a country's balance of trade initially worsens following a devaluation of its currency, then quickly recovers and finally surpasses its previous performance.
- J-curves are observed in other fields including medicine and political science. In each case, an initial loss is followed by a significant gain to a level that exceeds the starting point.



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 : 91.0356
INR / 1 GBP : 122.3257
INR / 1 EUR : 106.1918
INR /100 JPY: 57.4800

EQUITY MARKET

Sensex: 82180.47 (-1065.71)
NIFTY: 25232.50 (-353.00)
Bnk NIFTY: 59404.20 (-487.15)

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TEAM BFSIB

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

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