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DAILY NEWS DIGEST BY BFSI BOARD

22 November 2024



ECONOMY

Goldman Sachs cuts India's GDP growth forecast for 2025, sees less impact from global economic shocks: Goldman Sachs has said that India's GDP growth forecast will decelerate to 6.3 percent year-on-year (YoY) in 2025. However, the country will be relatively insulated from the global economic shocks expected from a potential trade war between the United States and China. In its report, Goldman Sachs said that despite the ongoing global uncertainties, India's long-term structural growth prospects remain robust. "In 2025, we believe India will likely be a relatively insulated economy from global shocks emanating out of a potential trade war between US and China," said the report.

(Business Today)

Rupee hits new low of 84.50/\$ amid equity sell-off, geopolitical tension: The rupee depreciated to a new low of 84.50 per dollar as foreign portfolio investors sold domestic equities amid escalating geopolitical tensions and a spike in crude oil prices. Uncertainty around the US Federal Reserve's future rate trajectory further weighed on the local currency, according to dealers. The previous low of 84.42 per dollar was recorded on Thursday last week. While the domestic currency has depreciated 0.5 per cent against the dollar in November, it has outperformed most other Asian currencies. Market participants said the Reserve Bank of India (RBI) intervened in the foreign exchange market via dollar sales, preventing further depreciation.

(Business Standard)



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BANKING & FINANCE



Insurtech sector attracted \$2.5 bn funding, more investment to flow: Report: Indian insurtech sector has mobilised USD 2.5 billion over the years and the industry is expected to attract more investment in the future as there are significant growth opportunities in the space, a report said on Wednesday. According to Boston Consulting Group (BCG) and India InsurTech Association (IIA) report, India has about 150 insurtech companies, with 10 unicorns and "soonicorn" and over 45 "minicorns" with a 12 times increase in revenue over the past five years to reach USD 750 million.

(Economic Times)

Bitcoin nears \$100,000 mark on optimism of US shifting to crypto-friendly norms: Bitcoin edges closer to the \$100,000 mark on Thursday, November 21, fueled by the optimism of the United States shifting to crypto-friendly norms under the President-elect Trump's administration. The crypto asset price crossed the \$98,000 mark for the first time during European trading hours. The Bitcoin prices have more than doubled this year and have risen nearly 40 per cent in the last two weeks since Donald Trump was voted as the President-elect in the US Presidential elections, all set to make a White House comeback with a Republican government, reported the news agency Reuters.

(Mint)

Tata Power, ADB ink pact for \$4.25 bn finance for key energy projects: Tata Power on Thursday said it has signed an initial pact with Asian Development Bank (ADB) to evaluate financing worth USD 4.25 billion for its several strategic projects. A memorandum of understanding has been signed with ADB at Baku, Azerbaijan, Tata Power said in a statement. "The MoU has been signed evaluate financing for its several strategic projects aimed at enhancing India's power infrastructure and promoting renewable and clean energy," it said. The total estimated project cost is about \$4.25 billion, Tata Power said.

(Business Standard)

UPI 123 Pay and UPI Lite: RBI extends transaction limits: On October 9, the Reserve Bank of India (RBI) increased the transaction limit for UPI 123Pay from Rs 5,000 to Rs 10,000. Following this, the National Payments Corporation of India (NPCI) issued a circular instructing banks and service providers to ensure compliance with the updated limits. Although the updated transaction



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limits are effective immediately, the NPCI has set January 1, 2025, as the final deadline for banks, public sector banks (PSBs), and service providers to implement the necessary changes.

Changes in UPI123 Pay: UPI 123Pay's transaction limit will officially rise from Rs 5,000 to Rs 10,000. Aadhaar OTP will be mandated for onboarding users in UPI 123Pay transactions. A new purpose code (86) is introduced for UPI 123Pay transactions. All financial and non-financial transactions must include this code in the purpose = " " tag. The previous initiation mode (31) will no longer be valid.

Changes in UPI Lite: RBI also increased limits for UPI Lite wallets. The wallet balance limit raised from Rs 2,000 to Rs 5,000 and the per-transaction limit: Increased from Rs 500 to Rs 1,000.

(Business Standard)

INDUSTRY OUTLOOK



Adani Group denies bribery charges as baseless, says will seek all possible legal recourse: The Adani Group has denied bribery charges by US Justice Department and US SEC against the chairman and group officials, calling all allegations 'baseless'. The group issued a statement attributed to a spokesperson on November 21, stating that it will seek all possible legal recourse, and the company is 'fully compliant' with all the laws. "As stated by the US Department of Justice itself, 'the charges in the indictment are allegations and the defendants are presumed innocent unless and until proven guilty.' All possible legal recourse will be sought," The statement said, quoting DoJ's press release.

(Moneycontrol)

Kenya cancels proposed airport, power transmission deals with Adani Group after US indictments: Report: Kenyan President William Ruto announced on Thursday that he had instructed the suspension of the procurement process for the expansion of the country's main airport, which had included a proposal from the Adani Group. Ruto said he has also directed the cancellation of a 30-year, \$736-million public-private partnership agreement that the energy ministry had recently entered into with a unit of the Adani Group for the construction of power transmission lines, Reuters reported on Thursday. Adani Energy Solutions, under Gautam Adani's control, entered into a 30-year, \$736 million public-private partnership agreement with the Kenya Electrical Transmission Company in October. However, a court suspended the contract in the same month. Kenya's high court had



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temporarily blocked a proposed deal for Adani Group to lease the country's main airport for 30 years in exchange for expanding it, Reuters had reported earlier.

(Business Today)

Emami MD & VC Harsha Vardhan Agarwal takes over as Ficci President: Harsha Vardhan Agarwal, Vice-Chairman and Managing Director of Emami Ltd, on Thursday took over as Ficci President for 2024-2025. At the industry chamber's 97th annual convention in the national capital, he took over from Anish Shah. In a statement, Ficci said Anant Goenka, Vice-Chairman of RPG Group, has been elevated to senior Vice-President of the chamber and Vijay Sankar, Chairman of The Sanmar Group, has joined the Ficci leadership as Vice-President. Harsha Vardhan Agarwal is a second-generation leader of the \$ 3.1-billion diversified business conglomerate Emami Group.

(Business Standard)



REGULATION & DEVELOPMENT

Prime Minister conferred with The Order of Excellence of Guyana: In a ceremony at the State House today, Dr. Mohamed Irfaan Ali, President of the Co-operative Republic of Guyana conferred upon Prime Minister Shri Narendra Modi the highest national award of Guyana, "The Order of Excellence", for his 'visionary statesmanship, for championing the rights of developing countries on the global stage, for exceptional service to the global community and for his commitment to strengthening India-Guyana relations.' While accepting the award, the Prime Minister dedicated the honour to the people of India and to the deep-rooted historical ties between the people of the two countries. He emphasized that his State visit is testament to India's continued commitment towards deepening India-Guyana friendship. Prime Minister Shri Narendra Modi is only the fourth foreign leader to be conferred with the highest National award of Guyana.

(PiB)

Second India-CARICOM Summit: Prime Minister Shri Narendra Modi and the Prime Minister of Grenada, H.E. Mr. Dickon Mitchell, the current CARICOM Chair, chaired the 2nd India-CARICOM Summit in Georgetown on 20 November 2024. Prime Minister thanked President of Guyana, H.E. Irfaan Ali for graciously hosting the Summit. The first India-CARICOM Summit was held in 2019 in New York. To further build on India's close development partnership and strong people to people ties with the region, Prime Minister offered assistance to CARICOM countries in seven key areas. These



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areas fit well with the CARICOM acronym and amplify the close bonds of friendship between India and the group. They are:

- C: Capacity Building
- A: Agriculture and Food Security
- R: Renewable Energy and Climate Change
- I: Innovation, Technology and Trade
- C: Cricket and Culture
- O: Ocean Economy and Maritime Security
- M: Medicine and Healthcare

On capacity building, Prime Minister announced one thousand more ITEC slots for CARICOM countries over the next five years. Prime Minister announced training in India for 11 young women cricketers from each of the CARICOM countries. He also proposed organizing "Days of Indian Culture" in member countries next year to strengthen people-to-people ties.

(PiB)

DFS carried out National Cyber Security Awareness Month (NCSAM) 2024 in October:

The Department of Financial Services (DFS), Ministry of Finance, observed the National Cyber Security Awareness Month (NCSAM) with the theme #CyberJagruk Nagrik, emphasising on the shared responsibility of safeguarding online information and promoting a culture of cybersecurity. The NCSAM was successfully conducted in collaboration with regulators and financial institutions throughout October 2024, via a campaign dedicated to educating individuals and organisations about the importance of protecting themselves in the digital world. This initiative aimed to foster a culture of digital vigilance, and enhance cyber hygiene practices among employees, customers, and the public and served as a reminder that every digital user plays a vital role in securing their data and preventing breaches.

(PiB)

Sebi abolishes 1% mandatory security deposit requirements in public issues: Markets regulator Sebi on Thursday abolished the requirement of a mandatory security deposit with the exchanges before a public issue in a bid to facilitate ease of doing business for issuer companies. The move will be applicable with immediate effect, the Securities and Exchange Board of India (Sebi) said in a circular. Before this, any company that is looking to launch a public issue of equity shares has to deposit with the stock exchanges an amount equal to 1 per cent of the issue size. The deposit was returned to the company after the public issue.

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DISCRETIONARY EXPENSE

- ❖ A discretionary expense is a cost that a business or household can survive without, if necessary. Discretionary expenses are often defined as nonessential spending. This means a business or household is still able to maintain itself even if all discretionary consumer spending stops. Meals at restaurants and entertainment costs are examples of discretionary expenses.
- ❖ In a corporate environment, discretionary expenses are usually costs linked with improving a company's reputation among its customers and employees.
- ❖ Expenses are divided into several categories, namely non-discretionary and discretionary. While non-discretionary expenses are considered mandatory—housing, taxes, debt, and groceries—discretionary expenses are any costs incurred above and beyond what is deemed necessary. These are generally considered wants, while non-discretionary expenses are usually referred to as needs.



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 : 84.4561
INR / 1 GBP : 106.8415
INR / 1 EUR : 89.0770
INR /100 JPY: 54.5500

EQUITY MARKET

Sensex: 77155.79 (-422.59)
NIFTY: 23349.90 (-168.60)
Bnk NIFTY: 50372.90 (-253.60)

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