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DAILY NEWS DIGEST BY BFSI BOARD

24 January 2025



ECONOMY

If not manufacturing in America, pay tariffs: Trump warns global firms at Davos 2025:

US President Donald Trump on January 23 reiterated his position on tariff and warned that companies not manufacturing in America but importing goods will have to pay duties. Trump repeated some of the statement from his inaugural speech on January 20. The President said he will reverse some of the "radical left policies" of the previous Biden administration and promised to cut taxes for domestic manufacturers and working class families to ensure more money in their 'pockets'. Trump also announced that he has announced "national energy emergency" and sent troops to the border to stop illegal immigration, while he has also temporarily halted funds for vulnerable groups and federal government hirings. "These steps will help curb inflation," he said.

(Moneycontrol)

Gold prices soar to new peak of Rs 82,900 per 10 gm; silver drops by Rs 500: Gold prices rose Rs 170 to hit a fresh record high of Rs 82,900 per 10 grams in the national capital on Thursday amid a positive global trend, according to the All India Sarafa Association. The precious metal had closed at Rs 82,730 per 10 grams on Wednesday. In about one year, the precious metal surged Rs 20,180 or 32.17 per cent to Rs 82,900 per 10 grams from Rs 62,720 per 10 grams on February 23, 2024. Extending the gains for the seventh straight session, gold of 99.5 per cent purity appreciated by Rs 170 to hit an all-time high level of Rs 82,500 per 10 grams. The metal had finished at Rs 82,330 per 10 grams in the previous trading session.

(Financial Express)

All-India Consumer Price Index numbers for agricultural and rural labourers – December, 2024: The All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) (Base: 1986-87=100) remained unchanged for the month of December 2024 at 1320 and 1331 points respectively. The year-on-year inflation rates based on CPI-AL and CPI-RL for the month of December, 2024 were recorded at 5.01% and 5.05%, respectively, compared to



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7.71% and 7.46% in December, 2023. The corresponding figures for November, 2024 were 5.35% for CPI-AL and 5.47% for CPI-RL.

(PiB)

BANKING & FINANCE



Lending growth outpaces deposit growth yet again: Bank lending again outpaced deposit growth in the beginning of the fourth quarter putting pressure on resources forcing many banks to raise deposit rates. Bank lending outpaces deposit growth in early Q4, pressuring resources and raising deposit rates. Lending is up 11.5% year-on-year as of January 2025, with a slowdown attributed to RBI measures and market concerns. Banks focus on reducing their credit-to-deposit ratio to manage fund costs and profit margins.

(Economic Times)

Ujjivan board okays move to universal banking plan, bank to apply for licence soon: Ujjivan Small Finance Bank has said it would shortly apply to the Reserve Bank of India for a transition to a universal bank. The Ujjivan board approved the plan Thursday. This is in sync with what managing director Sanjeev Nautiyal told ET in November last year that the bank would submit the application by the end of FY25. This would make Ujjivan the second small finance bank after AU to do so. After the transition, if RBI approves, their capital adequacy requirement would come down from 15% while the priority sector lending target would be lower at 40% instead of 75%. Then the norm of having at least 50% of loan portfolio in loans less than Rs 25 lakh would go.

(Economic Times)

Kotak Mahindra Bank acquires StanChart's Rs 3,330-cr personal loan portfolio: Kotak Mahindra Bank on Thursday said it has completed the acquisition of Rs 3,300 crore personal loan book of Standard Chartered Bank India following regulatory approvals. After having received the necessary regulatory approvals and upon fulfillment of the relevant conditions precedent, the bank on January 23, 2025, completed the acquisition, Kotak Mahindra Bank said in a regulatory filing.

(Economic Times)

Renewed push by Japan banks, other global lenders driving down loan prices in India: India sees increasing competition as Japanese banks expand their lending operations, driving loan prices down. This growth is fueled by India's robust economic performance and strong demand for corporate and consumer loans. US interest rates and potential tariff impacts could influence future



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financial activities, presenting both opportunities and challenges for investment and refinancing in India.

(Economic Times)

Bank of India's board approves plan to raise Rs 5,000 cr via infra bonds: State-owned Bank of India (BoI) on Thursday said its board has approved Rs 5,000 crore fund raising through infrastructure bonds. Long Term Infra Bonds to the tune of Rs 5,000 crore would be raised during the fourth quarter of FY25, BoI said in a regulatory filing. Domestic investors have shown a lot of interest in such bond issuance by banks, and many lenders have exercised this option for raising resources in the recent past. The advantage of infrastructure bonds is that they are exempt from regulatory reserve requirements such as Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). So, infrastructure bond proceeds can be fully deployed for lending activities.

(Business Standard)

INDUSTRY OUTLOOK



FSSAI orders Patanjali Foods to recall entire batch of 'implicated' red chilli powde: In a setback for Patanjali Foods Ltd, the food safety regulator has asked the Baba Ramdev-led firm to recall an entire batch of its red chilli powder due to violation of the safety norms, the company said in an exchange filing on January 23. The company in a statement said, "Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may inform you that Food Safety and Standards Authority of India vide its Order dated January 13, 2025 (received on January 16, 2025), has directed the Patanjali Foods Limited ("the Company") to initiate recall of the entire batch of implicated food (i.e. "Red Chilli Powder (packed)" of Batch No. – AJD2400012 due to non-conformance of The Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011."

(Moneycontrol)

NCLAT stays ban on WhatsApp sharing data with parent Meta: The National Company Law Appellate Tribunal (NCLAT) on Thursday stayed a five-year ban imposed by the competition watchdog CCI on data-sharing practices between WhatsApp and its parent Meta for advertising purposes, offering a breather to the tech giant. Meta had challenged the Competition Commission of India's (CCI) directive issued in November 2024, which imposed a ban on data sharing between WhatsApp and other Meta entities for advertising purposes, warning that it may have to roll back



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some features. It had also slapped a Rs 213 crore penalty on Meta for abuse of its "dominant position." The NCLAT also stayed the Rs 213.14 crore penalty, subject to the deposit of 50 percent of the penalty amount (after taking into consideration 25 percent already deposited) within two weeks.

(Moneycontrol)

Government issues notice to Ola, Uber over differential pricing on iPhones, Android:

The Centre has issued notices to ride-hailing services Ola and Uber for allegedly charging differential pricing on iPhone and Android phones, Union minister of consumer affairs Pralhad Joshi said on January 23. The development comes after several consumers claimed that the platforms were showing different prices for the same rides when booked from different kinds of mobile handsets. The notices have been issued by the Central Consumer Protection Authority (CCPA) – a regulatory body under the consumer affairs ministry that deals with consumer complaints.

(Moneycontrol)



REGULATION & DEVELOPMENT

Budget 2025: Govt may raise farm allocation by over 15% to \$20 billion: India plans to increase spending for the agriculture sector by about 15 per cent to around \$20 billion in next month's budget, two government sources said, marking the biggest increase in six years, as it tries to boost rural incomes and curb inflation. The additional cash would be directed to developing high-yielding seed varieties, increasing storage and supply infrastructure, and boosting production of pulse crops, oilseeds, vegetables, and dairy products, the sources said.

(Business Standard)

No grey areas: Regulated trading before listing will increase transparency: The Securities and Exchange Board of India (Sebi) is considering asking exchanges to enable a "when listed" section on their platforms where initial public offerings (IPOs) may be traded in the period of three working days between allotment and listing. This is to regularise grey market trading in such shares. The current situation leads to rampant "off-the-books" speculation during that period of hiatus. Sebi Chairperson Madhabi Puri Buch said that a "when listed" section, which allows allotments (rather than the shares themselves) to be traded in organised fashion, would allow a primary investor who received an allotment in an IPO.

(Economic Times)



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RBI to conduct overnight VRR auction worth Rs 2 trillion on Friday: The Reserve Bank of India (RBI) will conduct overnight variable rate repo (VRR) auction worth Rs 2 trillion on Friday. Additionally, it will conduct 14-day VRR auction on the same day to infuse Rs 1.75 trillion worth liquidity into the banking system. In a bid to address current and evolving liquidity conditions, the RBI had announced that it will conduct VRR auctions on all working days in Mumbai. In the first such auction, the notified amount was Rs 50,000 crore, which was subsequently raised to Rs 1.25 trillion in the following auctions. The liquidity deficit stood at Rs 2.87 trillion on Wednesday, according to the latest data by the RBI.

(Economic Times)



FINANCIAL TERMINOLOGY

ADP NATIONAL EMPLOYMENT REPORT

- ❖ The ADP National Employment Report is a monthly report of economic data that tracks the level of nonfarm private employment in the U.S. It is published by Automatic Data Processing. The ADP National Employment Report is also known as the ADP Jobs Report or the ADP Employment Report.
- ❖ The ADP Employment Report provides historical data from 2010.
- ❖ The ADP National Employment Report is released two days prior to the Bureau of Labor Statistics' employment situation report, which is available on the first Friday of each month. Investors and economists see the ADP report as a preview of the more detailed and comprehensive government data release.



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 : 86.4593
INR / 1 GBP : 106.4798
INR / 1 EUR : 89.9897
INR /100 JPY: 55.2300

EQUITY MARKET

Sensex: 76520.38 (+115.39)
NIFTY: 23205.35 (+50.00)
Bnk NIFTY: 48589.00 (-135.40)

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