

DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

Precious metals dazzle in 2025, look to continue bull run in 2026: It was a year when the precious metals complex dazzled. When the year began, there was little hint of what was in store. But by the end of the year, gold witnessed at least 50 new highs, silver surged to an unknown territory above \$72 an ounce, platinum soared to a fresh peak, and palladium prices were at a three-year high. Overall, gold has increased by over 70 per cent, silver by one-and-a-half times, platinum by 160 per cent and palladium by over 120 per cent. It was over global trade issues, with the US threatening almost every nation. As China locked horns, the issue got heated further. Apart from that, there were quite a few reasons why the precious metal complex was on fire in 2025. However, the underlying factor that drove these metals to never-before-seen levels was the weakening US dollar. It fell 12 per cent in the first half. Though it recorded 2-3 per cent in the second half, most of the economies are not too confident about the greenback.

(Business Line)

India, Canada likely to formally restart FTA negotiations in February: India and Canada may kick off formal negotiations for a free trade agreement (FTA) early next year with Commerce Minister likely to visit the country in February, sources said. “Going by the initial informal preparatory talks between the two sides, Canada has indicated that it would look at the concessions awarded by India to other countries with which it has concluded trade pacts, such as the UK, New Zealand, the EFTA bloc and Australia, so that a rough template is already there and talks could be speeded up.”

(Business Standard)

RBI likely to infuse up to ₹2.5 lakh crore liquidity in Q1 of 2026 with additional 2-3 lakh crore in rest year: Report: The Reserve Bank of India is expected to inject liquidity of around ₹1.5 lakh crore to ₹2.5 lakh crore during the first quarter (January-March) of calendar year 2026 through open market operations (OMOs), according to a report by HSBC Asset Management. The report said that beyond the first quarter, the RBI may conduct additional OMOs worth ₹2 lakh crore to ₹3 lakh crore during the rest of 2026.

(Economic Times)

BANKING & FINANCE



PNB reports Rs 2,434 crore loan fraud against erstwhile promoters of Srei Group to RBI: State-owned Punjab National Bank on Friday reported a loan fraud of Rs 2,434 crore committed by former promoters of SREI Equipment Finance Ltd (SEFL) and SREI Infrastructure Finance Ltd (SIFL) to the banking sector regulator, the Reserve Bank. These two entities with financial debt amounting to Rs 32,700 crore went through resolution under the Insolvency and Bankruptcy Code and the new promoter NARCL acquired them in December 2023.

(Moneycontrol)

Credit growth inches closer to 12% as lending momentum holds: As of December 12, bank credit stood at Rs 196.5 lakh crore, up 11.73% from a year ago, according to Reserve Bank of India's fortnightly data released on Friday. On a fortnightly basis, however, credit growth was muted, rising just 0.62% or Rs 1.2 lakh crore. In contrast, deposit growth continues to lag credit growth. Total deposits were marginally lower over the fortnight, declining 0.19% or about Rs 45,344 crore to Rs 242.1 lakh crore. On a year-on-year basis, deposits grew 9.73%, significantly below credit growth, keeping pressure on banks' funding profiles. Investments by banks were largely flat over the fortnight, slipping marginally by 0.01%. On a yearly basis, investments rose 5.01%.

(Financial Express)

PSB consolidation to gain momentum in 2026 as govt eyes big, world-class banks: Consolidation in public sector banks is expected to gain momentum in the coming year, as the government has expressed its desire to have more big, world-class banks in the country to fuel the next phase of growth for Viksit Bharat by 2047. Last month, Finance Minister Nirmala Sitharaman said India needs many big, world-class banks, and work in this regard has already commenced. The government has initiated discussions with the Reserve Bank and public sector banks, she had said, dropping enough hints about consolidation in the public sector space. Currently, there are 12 public sector banks, and only the country's biggest lender, SBI, is among the global top 50 by assets. SBI is ranked 43rd globally by assets, followed by private-sector HDFC Bank at 73rd.

(Business Line)

ABCD App introduces AI-powered nudges to guide everyday financial decisions: In the context of financial well-being, this is the gap that the artificial intelligence (AI) nudges on the ABCD App are designed to address. As part of SimpliFI AI, which is the ABCD App's AI features cluster designed to make finance simpler and more intuitive, AI nudges help customers navigate financial decisions with more clarity. If My Track helps users understand their money, credit, and health, AI nudges help them take action based on that understanding.

(Economic Times)

GST exemption boosts health insurance coverage, average sum insured jumps 31%: Report: The government's decision to exempt GST on health insurance from 18 per cent to nil has led to a sharp rise in health cover sizes, with the average sum insured increasing by 31 per cent, according to a report by Policybazaar. The report said that after the removal of GST, the average health insurance cover increased from ₹14.5 lakh in the pre-GST period to ₹19 lakh in the post-GST period.

(Business Line)

INDUSTRY OUTLOOK



Government makes local content mandatory for battery storage: The Ministry of Power has added a new clause of a minimum 20% of local content of the total project cost in Battery Energy Storage System (BESS) procurements under the viability gap funding (VGF) scheme. As a result, states and procuring entities must ensure they adhere to these norms, which indigenously developed Energy Management System (EMS) application software. The ministry had amended the VGF guideline in August mandating EMS software be made in India.

(Business Today)

Total small business credit touch Rs 46 lakh cr: Report: Aggregate small business credit exposure has reached Rs 46 lakh crore, an increase of 16 per cent as of September 30, a report said. "Active loan accounts have grown by 11.8 per cent to 7.3 crore. Policy support and multiple government credit schemes for MSMEs have helped sustain this momentum," CRIF High Mark-SIDBI Report said. Portfolio quality has improved across segments, it said, adding that loans overdue by 91 to 180 days declined to around 1.4 per cent as of September 2025, from 1.7 per cent in September 2023, it said

(Economic Times)

SIP inflows top ₹3 trn in 2025 for first time as investors stay steady: Inflows into mutual fund schemes via SIPs have topped ₹3 trillion for the first time in a calendar year, as investors increasingly rely on the staggered investment route amid market volatility. Investors put ₹3.04 trillion into MF schemes through SIPs until November this year, as against ₹2.69 trillion in the entire 2024, data from the Association of Mutual Funds in India (Amfi) shows. The strong SIP inflows offset, to an extent, the decline in lump-sum investments.

(Business Standard)



REGULATION & DEVELOPMENT

CoC cannot alter resolution plan after approval, says NCLAT: The Committee of Creditors (CoC) cannot modify or alter a resolution plan for reallocation of funds of dissenting creditors, after it is approved, insolvency appellate tribunal NCLAT has said. Dismissing an appeal by Bank of Baroda in the Reliance Communications Infrastructure Ltd (RCIL) matter, a two-member NCLAT bench said the assenting members of the committee cannot alter the financial layout once the bids have been approved. "It is true that the CoC with commercial wisdom can take a decision regarding different aspects of the plan, including manner of distribution, but once the commercial wisdom has been exercised by approving the resolution plan in meeting, the modification of the said distribution mechanism, which is impermissible, cannot be saved in the name of commercial wisdom of the CoC," said NCLAT.

(Business Line)

Govt issues EoI for unified customs portal to integrate ICEGATE, RMS, ICES: The Centre issued the expression of interest (EoI) to appoint an implementation agency for a proposed Customs Integrated System (CIS), formally kicking off the bidding process for a large-scale overhaul of India's indirect tax technology architecture. The government was planning to fully digitise customs operations by integrating key platforms — the Indian Customs Electronic Gateway (ICEGATE), Risk Management System (RMS) and Indian Customs Electronic Data Interchange System (ICES) — into a single unified national platform or CIS with a target to cut cargo clearance time to 24 hours.

(Business Standard)

Irdai imposes ₹1 cr penalty on Reliance General Insurance for norm breaches: The Insurance Regulatory and Development Authority of India (Irdai) on Friday imposed a ₹1 crore penalty on Reliance General Insurance for violation of norms. The regulator found that the insurer made payouts of around ₹5.16 crore during FY19 to

Glitterbug Technologies, the parent company of Coverfox Insurance Broking, and made multiple arbitrary payouts to an individual who is an agent of Oriental Insurance Company. Reliance General Insurance paid nearly ₹1.14 crore, ₹27 lakh and ₹28.67 lakh to the said agent during the financial years 2018-19, 2019-20 and 2020-21, respectively.

(Business Standard)



FINANCIAL TERMINOLOGY

OUTPUT GAP

- The term output gap refers to the difference between the actual output of an economy and the maximum potential output of an economy expressed as a percentage of gross domestic product (GDP). A country's output gap may be either positive or negative.
- A negative output gap suggests that actual economic output is below the economy's full capacity for output while a positive output suggests an economy that is outperforming expectations because its actual output is higher than the economy's recognized maximum capacity output.



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 : 89.8296

INR / 1 GBP : 121.2400

INR / 1 EUR : 105.8522

INR /100 JPY: 57.5000

EQUITY MARKET

Sensex: 85041.45 (-367.25)

NIFTY: 26042.30 (-99.80)

Bnk NIFTY: 59011.35 (-172.25)

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TEAM BFSIB

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