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DAILY NEWS DIGEST BY BFSI BOARD

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ECONOMY

FPI inflow in Indian equities hits 9-month high on bull run in September, inflow surpasses Rs 1 lakh crore mark: Foreign investors have poured Rs 57,359 crore into Indian equities in September, making it the highest inflow in nine months, mainly driven by a rate cut by the US Federal Reserve, data with the depositories showed. With this infusion, foreign portfolio investors (FPIs) investment in equities has surpassed the Rs 1 lakh crore mark in 2024, data showed. Going ahead, FPI inflows are likely to remain robust driven by global interest rate easing and India's strong fundamentals. However, the RBI's decisions, particularly regarding inflation management and liquidity, will be key in sustaining this momentum, Robin Arya, smallcase Manager and founder & CEO of research analyst firm GoalFi, said. According to the data, FPIs made a net investment of Rs 57,359 crore in equities until September 27, with one trading session still left this month.

(Business Today)

Labour-intensive industries need to be promoted to generate more jobs: Raghuram Rajan: Reserve Bank of India's former governor Raghuram Rajan said that India was creating enough jobs as reflected by the number of applicants for vacant posts in some states with 7 per cent economic growth. Rajan suggested that the focus must be on promoting labour-intensive industries to generate employment. He further said that some Indians at the upper-level are comfortable and have high incomes, but consumption growth from the lower half of the country has not recovered to pre-pandemic levels. According to the former RBI governor, industries that are more capital-intensive are growing faster, but those that rely on labour are not growing. "It is not going well at the lower level. I think the desperate need is for jobs. And you can see this, forget the official statistics.

(Economic Times)



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BANKING & FINANCE



Experts decry delay in launch of creditor-led insolvency process: Insolvency experts feel the ministry of corporate affairs has developed cold feet on a plan to introduce creditor-led resolution process (CLRP). They are worried that any delay in putting in place the proposed out-of-court settlement mechanism could thwart the government's stated objective of speeding up the resolution of cases and reducing the involvement of tribunals in the insolvency process. "This regulation is in the works for more than 18 months but is yet to be finalised by the ministry. The delay is hitting the valuation of companies where the creditors are ready for out-of-court settlements," said a source.

(Financial Express)

SBI plans innovative products to attract depositors amid growing financial awareness: SBI is considering introducing new and innovative financial products, including a combination of recurring deposits and Systematic Investment Plans (SIP), in a bid to attract more depositors. SBI's Chairman, C S Setty, shared the bank's plans during an interview with PTI, emphasizing the need to meet the evolving financial needs of customers who are becoming more financially aware and looking for diverse investment options. The bank is exploring ways to innovate traditional banking products like recurring deposits. Setty mentioned the possibility of a combo product that merges features of fixed deposits and recurring deposits with SIP, allowing customers to access these digitally. These innovations are aimed at attracting younger customers, particularly Gen Z.

(Economic Times)

Traditionally cash-dominated rural India & smaller towns witnessing an increase in credit-driven consumption: India's traditionally cash-dominated smaller towns and rural areas are witnessing an increase in credit-driven consumption, spurred by deeper penetration of consumer financing and new bank account openings under the government's Pradhan Mantri Jan Dhan Yojana (PMJDY). For instance, credit-led purchase of two-wheelers in rural India at 62% has outpaced urban (58%) so far this fiscal year. In electronics and smartphones too, financing now accounts for 30-40% of all purchases in rural markets, sharply higher from about 20% two years ago, according to industry executives.

(Economic Times)



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INDUSTRY OUTLOOK



Investment under PLI to cross Rs 2 lakh crore soon; to boost employment generation by 26%, says Minister Piyush Goyal: Investment under the production linked incentive (PLI) scheme is expected to cross Rs 2 lakh crore within the next year compared with the Rs 1.46 lakh crore already realised under the programme, Commerce and Industry minister Piyush Goyal said at an interaction with CEOs of PLI schemes on September 29. It is expected to provide a significant 26 percent increase to employment generation to 1.2 million, from 0.95 million jobs created at present. “Make in India and PLI both have an umbilical cord, which is impossible to separate,” Goyal noted. The programme has generated production or sales worth Rs 12.5 lakh crore and helped boost exports by over Rs 4 lakh crore. After the interaction with 140 industry representatives under PLI scheme, Goyal said that the issue of government procurement will also be reviewed in certain sectors.

(Moneycontrol)

Indian traders up in arms against e-commerce giants Amazon & Flipkart: Confederation of All India Traders, a national body representing Indian traders and retailers, is launching a massive country-wide protest against multinational e-commerce giants Amazon and Flipkart. The body that has been vocal against foreign retail majors for years, today in the national capital announced a drive to “prosecute” the two behemoths. “In light of the recently released report by the Competition Commission of India (CCI), which highlights serious anti-competitive practices by e-commerce giants Amazon and Flipkart, the traders across the country, under the leadership of CAIT, are set to launch a massive nationwide campaign demanding prosecution of these companies,” it said in a statement. More than 350 trade leaders in a unanimous resolution pointed towards alleged irregularities in the operations of Amazon & Flipkart.

(Business Today)

Zomato co-founder Akriti Chopra resigns after 13 years: Food delivery platform Zomato has announced that its co-founder and Chief People Officer Akriti Chopra has resigned from her position to pursue other interests. In a regulatory filing, the firm said that Chopra tendered her resignation, with effect from September 27, 2024. Chopra had been at the company for 13 years and played a vital



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role in setting up and scaling Zomato's legal and finance teams in her previous role as CFO.
(Business Standard)



REGULATION & DEVELOPMENT

Government to launch revamped Vatsalya Mission portal for integrated child protection services: Official: The Ministry of Women and Child Development is set to launch a revamped portal under the Vatsalya Mission that will integrate various child protection services currently spread across multiple platforms. Speaking at the closing session of the ninth Annual National Stakeholders Consultation on 'Protecting the Rights of Children living with Disabilities', Ministry of Women and Child Development Secretary Anil Malik shared details of the upcoming changes, emphasizing the need for a more cohesive and efficient approach to child protection. "In the next few weeks, we are going to launch a revamped portal for the Vatsalya Mission, where all present portals like Khoya-Paaya, TrackChild, Child Protection Services, and CARINGS will be integrated," Malik said. This initiative aims to streamline emergency responses and improve coordination. The national child helpline has also been integrated with emergency services, enhancing response times. Specialized institutions for children with disabilities are being supported, along with mental health training for government officers.

(Economic Times)

Govt plans to liberalise procurement rules for new, innovative products: The government is looking to liberalise public procurement rules for production of new and innovative products, in line with its focus on the Make in India programme that completed ten years last week. "In government procurement, there could be few amendments required sectorally. There are certain sectors where the ecosystem takes time to develop. Initially the value added is less, but gradually it goes up. We are examining if we can have a road map for these sectors so that they could transition to become class 1 or class 2 suppliers," Commerce and Industry Minister Piyush Goyal said on Sunday.

(Business Standard)



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FINANCIAL TERMINOLOGY

CLEARING PRICE

- ❖ Clearing price is that price of a commodity or a security at which the market clears a commodity or a security. Quantity supplied is equal to quantity demanded and buyers and sellers conduct the trade.
- ❖ A price is a specific monetary value associated with a security or a commodity. Generally, it so happens that sellers expect to get the highest possible price for their product, while buyers want to get it at the lowest possible price. In such a scenario, a price that settles the transaction so that both the parties are in agreement is called the clearing price. Where this price settles is influenced by various other factors. It can also be referred to as the equilibrium price.
- ❖ It can be said that the clearing price is equal to a value that is the same as the lowest price a seller is ready to take for his commodity and the highest price a buyer is ready to pay for it. Thus, it becomes the price at which the latest transaction was conducted.



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 : 83.6688
INR / 1 GBP : 112.0498
INR / 1 EUR : 93.4608
INR /100 JPY: 58.2300

EQUITY MARKET

Sensex: 26178.95 (-37.10)
NIFTY: 85571.85 (-264.27)
Bnk NIFTY: 53834.30 (-541.05)

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