

## **DAILY NEWS DIGEST BY BFSI BOARD**

***04 April 2025***



### **ECONOMY**

**Trump tariffs wipe out \$2 trillion from US stock market:** Roughly \$2 trillion was erased from the S&P 500 Index on Thursday amid worries that President Donald Trump's sweeping new round of tariffs could plunge the economy into a recession. The damage was heaviest in companies whose supply chains are most dependent on overseas manufacturing. Apple Inc., which makes the majority of its US-sold devices in China, fell as much as 9.5%. Lululemon Athletica Inc. and Nike Inc., among companies with manufacturing ties to Vietnam, were both down more than 12%. Target Corp. and Dollar Tree Inc., retailers whose stores are filled with products sourced outside of the US, were trading lower by more than 10%. Few stocks in the US were unscathed with the benchmark index on pace for its biggest decline since 2022. More than 80% of companies in the S&P 500 were trading lower.

***(Moneycontrol)***

**Trump imposes 27% (not 26%) reciprocal tariff on Indian exports:** US President Donald Trump has announced sweeping reciprocal tariffs of 27 per cent on India that has sent the government in a huddle to study its implications to help affected sectors and also identify possible opportunities flowing from the new tariff order.

***(Business Line)***

## BANKING & FINANCE



**HDFC Bank's advances rise 5.4% YoY to Rs 26.4 lakh crore in Q4FY25; deposits up 15.8%:** HDFC Bank reported a 5.4 percent year-on-year (YoY) growth in total advances, reaching Rs 26.4 lakh crore in the January-March quarter of FY25, according to an exchange filing on March 3. Deposits saw a 15.8 percent YoY jump to ₹25.3 lakh crore during the same period. The bank's current account-savings account (CASA) deposits increased 5.7 percent YoY to Rs 8.3 lakh crore. Retail loans expanded by 9 percent, while commercial and rural banking loans surged 12.8 percent. However, corporate loans declined by 3.6 percent compared to the previous year. Sequentially, gross advances rose 4 percent from Rs 25.4 lakh crore in the October-December quarter, while deposits increased 5.9 percent over the same period. The lender's average advances under management stood at Rs 26.95 lakh crore in Q4FY25, reflecting a 7.3 percent YoY growth..

**(Moneycontrol)**

**India Post Partners with Nippon India Mutual Fund to Enhance KYC Verification Services:** In a significant move to facilitate the Mutual Fund industry's customer onboarding process, Department of Posts (DoP) has signed a Memorandum of Understanding (MoU) with Nippon India Mutual Fund to provide door-to-door KYC verification services for their investors. This partnership aims to streamline the KYC process, ensuring convenience, security, and compliance for investors across India.

**(PiB)**

**Citi, SBI announce \$295 million facility for small farmers:** Citi and SBI have announced a social loan facility of \$295 million to provide financing support to India's small farmers. The loan will be given by Citi's Trade & Working Capital Solutions. This is aimed at improving farmers' agricultural productivity and income generation. "At Citi we're consistently pursuing innovative trade solutions that also make a difference. This agreement with SBI is a great example of that innovation, utilizing the depth of our trade and working capital loan solutions to unlock positive social impact and economic growth," said Mayank Gupta, Asia South head of Citi's Trade and Working Capital Solutions.

**(Economic Times)**

**Finance ministry asks banks to work on deposit mobilisation strategies:** The Union finance ministry has asked public sector banks (PSBs) to work on strategies to improve deposit mobilisation and submit these soon, according to sources. "The finance ministry has raised that mobilising bank deposits is the issue for the sector. Hence only proper strategy will solve the issue," said a senior government official who was part of the meeting. The meeting was chaired by the Department of Financial Services (DFS) Secretary M Nagaraju with the PSB chiefs and select private sector banks.

*(Business Standard)*

## INDUSTRY OUTLOOK



**SEBI exempts govt from open offer in Vodafone Idea deal:** Market watchdog SEBI on Thursday granted an exemption to the Government of India (GoI) from making an open offer to Vodafone Idea (Vi) shareholders. This decision follows the government's plan to acquire a 34 per cent stake in the telecom company by converting spectrum dues into equity, increasing its ownership from 22.6 per cent to nearly 49 per cent. "An open offer shall require additional investment for the acquisition of further equity shares by the GoI. Such a requirement renders the conversion of the outstanding dues to equity untenable as the purpose of this conversion shall be defeated, having a negative impact on the investors of the target company and the public at large," SEBI whole-time member, Ashwani Bhatia said in the order.

*(Business Line)*

**India's shrimp exports to US seen badly hit due to high reciprocal tariffs:** Even though high reciprocal tariffs levied in the US by the Donald Trump Administration are likely to put a dent on exports of some Indian agricultural products, such as shrimps, going forward, several experts say the fact that the tariffs are still lower as compared to many of India's competitors might signal that all is not lost. India exported around \$1.9 billion worth of seafood to the US in the financial year 2023-24 (FY24). Bulk of India's seafood exports to the US is in the form of "Vannamei Shrimp", and some estimates said that in FY24, almost 41 per cent of India's shrimp exports went to America, which was by far one of its largest markets.

*(Business Standard)*

**NPCI expands AI use to enhance customer safety in digital transactions:** The National Payments Corporation of India (NPCI) is leveraging Artificial Intelligence in a "big way" to enhance customer security in digital transactions, amid a surge in UPI usage. NPCI is conducting a pilot study

in collaboration with public and private sector banks to integrate Artificial Intelligence (AI) and Machine Learning for strengthening customer safety, NPCI Chief Risk Officer Viswanath Krishnamurthy said.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**No fee to be charged for updation of nominees for PPF accounts: FM:** Finance Minister Nirmala Sitharaman on Thursday said no fee will be charged for the updation or addition of nominees for Public Provident Fund (PPF) accounts as the government has done necessary changes through notification. Recently, it was informed that a fee was being levied by financial institutions for updating/modifying nominee details in PPF accounts, the finance minister said in a social media post on X. The gazette notification has done away with the fee of Rs 50 for cancellation or change of nomination for small savings schemes run by the government.

**(Economic Times)**

**Banks pitch SORR as overnight benchmark ahead of RBI policy meeting:** Bankers have requested the Reserve Bank of India (RBI) to make secured overnight rupee rate (SORR) the overnight benchmark instead of weighted average call rate (WACR) in the monetary policy review meeting next week. They have also asked for reduction in the cash reserve ratio (CRR) requirement for banks from the current 4 per cent. The central bank has been conducting a series of interactions with banks, asking them for feedback to tide over the liquidity crunch and improve monetary transmission.

**(Business Standard)**

**RBI maintains FPI investment caps in govt securities, corp bonds for FY26:** India's central bank on Thursday kept the investment limits unchanged for foreign portfolio investors (FPIs) in government and corporate bonds for the fiscal year 2025-26. The Reserve Bank of India (RBI) maintained the existing caps of 6 per cent for government securities, 2 per cent for state government securities and 15 per cent for corporate bonds for the current year starting April 1, the central bank said in a press release. The general limit for foreign investment in government bonds would continue to be Rs 2.79 trillion (\$32.71 billion) for April-September and Rs 2.89 trillion for October-March, the central bank said. Foreign investments in corporate bonds would be permitted up to Rs 8.22 trillion for April-September and Rs 8.80 trillion for October-March, RBI added.

**(Business Standard)**





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## FINANCIAL TERMINOLOGY

### MONEY MULES

- ❖ A money mule is someone who transfers or moves illegally acquired money on behalf of someone else.
- ❖ Criminals recruit money mules to help launder proceeds derived from online scams and frauds or crimes like human trafficking and drug trafficking. Money mules add layers of distance between crime victims and criminals, which makes it harder for law enforcement to accurately trace money trails.
- ❖ Money mules can move funds in various ways, including through bank accounts, cashier's checks, virtual currency, prepaid debit cards, or money service businesses.



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### **RBI KEY RATES**

Repo Rate: 6.25%  
SDF: 6.00%  
MSF & Bank Rate: 6.50%  
CRR: 4.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 85.6468  
INR / 1 GBP : 112.1362  
INR / 1 EUR : 93.7438  
INR /100 JPY: 58.1600

### **EQUITY MARKET**

Sensex: 76295.36 (-322.08)  
NIFTY: 23250.10 (-82.25)  
Bnk NIFTY: 51597.35 (+249.30)

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- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)**

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