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DAILY NEWS DIGEST BY BFSI BOARD

08 March 2025



ECONOMY

DBS Bank's Radhika Rao expects rate cut in April with RBI likely shifting in stance to accommodative, FY25 GDP at 6.5%: With FY26 growth to stay likely to downshift to the 6% handle this year from a revised 9% pace in FY24, food disinflation setting in and successive measures to loosen macroprudential restrictions, policymakers have the room to maintain a dovish tilt, said Radhika Rao, Senior Economist and Executive Director at DBS Bank in an interview to Moneycontrol. Hence, she expects a rate cut in April, with a likely shift in the stance to accommodative. After better economic growth in Q3 at 6.2% compared to 5.6% in Q2FY25, Radhika Rao expects further improvement from Q3 to Q4FY25, but a sharper rebound is restrained by a weak credit growth impulse, moderating GST collection pace and tight financial conditions.

(Moneycontrol)

'America will invite India in': US Commerce Secretary urges New Delhi to bring tariffs down: Amid mounting concerns over reciprocal tariffs announced by US President Donald Trump, US Commerce Secretary Howard Lutnick suggested that India needs to lower its tariffs, calling it crucial for forging an "extraordinary relationship" between the two nations. While speaking at the India Today conclave, he said that India and the United States had a goal to come up with a great trade deal as India has leaned on the US with low tariffs, adding that that had to change. On America pushing India to reduce duties on agriculture goods, Lutnick commented that the US is keen on establishing a comprehensive, large-scale trade agreement with India that encompasses all key aspects and urged both nations to engage in direct bilateral discussions to reshape their trade dynamics.

(Moneycontrol)

RBI's buy-sell swap strategy incentivising corporates to raise funds abroad: The USD/INR buy-sell swaps conducted by the Reserve Bank of India (RBI) to inject durable liquidity into the banking system have led to a decline in forward premia on USD/INR contracts, reducing hedging



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costs for Indian corporates seeking to borrow from overseas markets. RBI's buy-sell swap strategy is incentivizing corporates to raise funds abroad, which will bring incremental capital inflows and help bolster India's foreign exchange (forex) reserves. These reserves have been gradually declining as the RBI has been intervening in the forex market to curb rupee volatility.

(Business Standard)

BANKING & FINANCE



SBI launches collateral-free loans for women entrepreneurs : SBI on Friday launched a dedicated collateral-free low-interest rate loan offering for women entrepreneurs: SBI launched the product christened 'Asmita' on the eve of the International Women's Day, under which it aims to offer low-interest rate funding alternatives to women. The launch comes within days of Transunion Cibil flagging a low preference for business borrowing by women, who tend to prefer borrowing for consumption purposes. As per the leading credit information company, only 3 per cent of the borrowings by women were for business purposes while a major 42 per cent was for personal finance products like personal loans, consumer durable loans, home ownership and 38 per cent against gold.

(Economic Times)

Axis Bank conducts aircraft financing transaction through Gift City unit : Axis Bank said it is the first Indian bank to execute an aircraft financing transaction through its International Banking Unit (IBU) at Gujarat's GIFT City IFSC, according to a statement. The deal was completed for AI Fleet Services Ltd (AIFS), the leasing arm and wholly owned subsidiary of Air India (a Tata Group Company). The deal involves a long-term USD loan for the purchase of 34 training aircraft, which will be deployed at Air India's upcoming pilot training institute in Amravati, Maharashtra. Businessline had earlier reported that the order includes 31 single-engine aircraft from Piper Aircraft in the United States and 3 twin-engine aircraft from Diamond Aircraft in Austria. The Centre is trying to actively promote aircraft and ship leasing and financing operations at Gujarat's GIFT City through tax incentives and regulatory relaxations. Sanjay Sharma, Chief Financial Officer, Air India said, "Air India has embarked on a five-year transformation journey, Vihaan. AI, placing an order for 570 aircraft, and GIFT City will be important for financing of these aircraft."

(Business Line)



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RBI approves re-appointment of Sumant Kathpalia as IndusInd Bank chief for 1 year: RBI) has approved re-appointment of Sumant Kathpalia as MD, CEO of IndusInd Bank for a period of one year with effect from March 24, 2025, according to an exchange filing. However, the extension falls short of the bank board's recommendation of a three year tenure for Kathpalia. This is the second time that the RBI refused a three-year term for Kathpalia. In March 2023, the RBI had approved the re-appointment of Kathpalia as IndusInd Bank MD, CEO for two years as against the board's approval for three years. The banking regulator typically approves three-year tenure for bank chiefs. Kathpalia was first appointed as IndusInd Bank CEO in 2020. He has over 37 years of experience in large multi-national banks such as Citibank, Bank of America and ABN AMRO prior to joining IndusInd Bank.

(Business Line)

INDUSTRY OUTLOOK



Star Health launches women's health initiative 'SheTARA' in Tamil Nadu: Star Health and Allied Insurance Ltd launched 'SheTARA,' a women's health initiative providing free medical screenings across more than 40 locations in Tamil Nadu, coinciding with International Women's Day on Friday. The shares of Star Health and Allied Insurance closed at ₹367, down by ₹1.95 or 0.53 per cent on the NSE today. The programme includes a flagship event at the company's Anna Nagar branch in Chennai that offers comprehensive health services, including BMI calculation, blood pressure monitoring, blood sugar tests, thyroid function tests, and bone mineral density screenings. Anand Roy, MD & CEO of Star Health Insurance, emphasised that women's health is "a fundamental pillar of a thriving society" and said the initiative aims to ensure quality preventive healthcare access regardless of background.

(Business Line)

Slowdown in credit card growth continues, disbursement at 4-year low: Indian credit card sector is witnessing a slowdown, with disbursement growth falling to a four-year low, according to a report by ACMIIL, a stock market firm. The report, which provides insights into the credit card segment for January 2025, highlights a decline in total spending and a drop in the number of credit cards in circulation. Aggregate credit card expenditure in January stood at Rs 1.84 trillion, marking a month-on-month (MoM) decline from Rs 1.88 trillion in December 2024. Despite this drop, spending was up 14 per cent on a year-on-year (YoY) basis. The MoM decline was primarily due to a high base in December, when spending typically rises due to year-end festivities and New Year celebrations.

(Economic Times)



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Market regulator Sebi looks to boost social stock exchange platform: The Securities and Exchange Board of India (Sebi) has proposed reducing the minimum investment amount in Zero Coupon Zero Principal (ZCZP) bonds from Rs 10,000 to Rs 5,000 or Rs 1,000. Investors can contribute to non-profit organisations (NPOs) listed on the social stock exchange (SSE) through ZCZP bonds.

(Business Standard)



REGULATION & DEVELOPMENT

DPIIT and Mercedes-Benz India Join Forces to Drive Innovation, Sustainability, and Road Safety: The Department for Promotion of Industry and Internal Trade (DPIIT) and Mercedes-Benz India Private Limited have signed a Memorandum of Understanding (MoU) to advance India's manufacturing ecosystem, road safety, and environmental sustainability. The partnership aims to support startups, innovators, and entrepreneurs in achieving technological excellence and fostering societal development. The collaboration will focus on creating structured programs that provide startups with infrastructure, mentorship, funding opportunities, and market linkages. The initiative will also facilitate international collaborations and ensure knowledge exchange to drive long-term impact.

(PiB)

CCI mulls curbs on investments by staff: The Competition Commission of India (CCI) has issued draft guidelines to streamline the conduct of its employees. The draft guidelines, titled Draft Competition Commission of India (CCI) Conduct Rules, 2025, put a slew of restrictions on employees, including restricting badla trading or speculating in stock, shares, securities or commodities of any description. "No employee shall make any direct or indirect investment in commodity derivatives, equity and equity related instruments including convertible debentures and warrants except units of mutual funds, non-convertible bonds and non-convertible debentures, initial public offerings and in rights issues in respect of the shares already held by them," the draft guidelines say.

(Financial Express)



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FINANCIAL TERMINOLOGY

ESG INVESTING

- ❖ ESG stands for environmental, social, and governance. ESG investing refers to how companies score on these responsibility metrics and standards for potential investments. Environmental criteria gauge how a company safeguards the environment. Social criteria examine how it manages relationships with employees, suppliers, customers, and communities. Governance measures a company's leadership, executive pay, audits, internal controls, and shareholder rights.
- ❖ ESG investing is sometimes referred to as sustainable investing, responsible investing, impact investing, or socially responsible investing (SRI). To assess a company based on ESG criteria, investors look at a broad range of behaviors and policies. ESG investors seek to ensure the companies they fund are responsible stewards of the environment, good corporate citizens, and led by accountable managers.



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 : 87.0612
INR / 1 GBP : 112.2201
INR / 1 EUR : 94.1979
INR /100 JPY: 59.0200

EQUITY MARKET

Sensex: 74332.58 (-7.51)
NIFTY: 22552.50 (+7.80)
Bnk NIFTY: 48497.50 (-130.20)

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