

Top Story 1

India can be a \$55 trillion economy by 2047 with 8% real growth

“India can be a \$55 trillion economy by 2047 as we are targeting 8% real growth and 5% inflation,” said Krishnamurthy V. Subramanian, Executive Director, International Monetary Fund & Former Chief Economic Advisor, Government of India. “To put this further into perspective, Japan experienced remarkable economic growth from 1970 to 1995, demonstrating the power of sustained development. The compounding effect on GDP growth means that each year of growth builds on the previous year’s achievements, creating exponential progress. China’s economic growth since 2007 offers a similar comparison, highlighting how strategic investments and policies can lead to significant long-term economic gains,” he said during the launch of his book ‘India @ 100: Viksit Bharat 2047’. The event was organised by the Confederation of Indian Industry (CII), in Chennai .

Top Story 2

RBI sees a positive shift in FPI's flows in the domestic market, \$9.7 bn from June till August 6

While announcing the monetary policy, RBI Governor Shaktikanta Das noted a positive shift in foreign portfolio investment (FPI) flows, with USD 9.7 billion net inflows in domestic markets from June 2024. Governor Das said, "On the external financing side, foreign portfolio investors turned net buyers in the domestic market from June 2024 with net inflows of USD 9.7 billion during June-August (till August 2024) after witnessing outflows of USD 4.2 billion in April and May." He added, "Foreign direct investment (FDI) flows picked up in 2024-25 as gross FDI rose by more than 20 per cent during April-May 2024, while net FDI flows doubled during this period compared to the corresponding period of the previous year. External commercial borrowings moderated during April-June 2024-25, while non-resident deposits recorded higher net inflows during April-May compared to the previous year. India's foreign exchange reserves reached a historical high of USD 675 billion as of August 2024."

Finance: -

Today, India is far more resilient than what it was earlier, says RBI

We will take into account all data, domestic and foreign, and deal with all emerging situations. Today India has improved its resilience vis-à-vis external shocks quite a bit. The country is far more resilient than what it was earlier. So, we will have to wait for the incoming data and deal with the situation. There was a study released by the RBI, saying the neutral rate had moved up and also you recently increased the liquidity requirements for banks through the liquidity coverage ratio (LCR). Is there a new normal when it comes to interest rates and liquidity, which is higher than earlier? With regard to the LCR, it's a draft we have put in the public domain. We will get inputs from all stakeholders, including banks and other experts. Based on those, we will finalise our decision. It will not be correct to say that we have increased liquidity requirements ... the matter is still being discussed. We are waiting for the inputs, which will come.

Market: -

Rupee rises 8 paise to 83.89 against U.S. dollar in early trade

The Indian Rupee appreciated by 8 paise, reaching 83.89 against the U.S. dollar in early trade recently , August 2024. This gain was bolstered by a positive trend in domestic equities and a dip in the U.S. dollar index. Forex traders highlighted that the market's focus has now shifted to upcoming economic data releases. Following the Reserve Bank of India's recent monetary policy announcement, traders are closely watching for the U.S. Consumer Price Index (CPI) data, as well as India's CPI, Wholesale Price Index (WPI), Index of Industrial Production (IIP), and trade data, all of which are scheduled to be released next week. These data points are expected to play a crucial role in shaping the Rupee's trajectory in the near term.

Economy: -

India to Become Third Largest Economy in Two Years

Asserting that India's rise is unstoppable, Vice President Jagdeep Dhankhar on Wednesday said the country will become the third-largest economy in the world in two years. Addressing the occasion of the 10th National Handloom Day, he expressed confidence that the optimal utilization will take place to promote handlooms, the need of the hour, the need of the country, and the need of the planet if we think in terms of climate change. The "Be Vocal for Local" clarion call given by the Prime Minister has economic freedom at this core, with handloom products being one of its key elements, said the Vice President. Strongly advocating economic nationalism, Dhankhar said it is fundamental to the country's "spinal economic growth" and will lead to three key impacts including foreign exchange savings, employment generation and boosting entrepreneurship.

Digitalization: -

RBI increases UPI payment limit from Rs 1 lakh to Rs 5 lakh

The Reserve Bank of India (RBI) has provided major relief to UPI consumers. The central bank has increased the limit for making payments through UPI from Rs 1 lakh to Rs 5 lakh. Addressing the media after the three-day bimonthly Monetary Policy Committee (MPC) meeting, RBI Governor Shaktikanta Das said that UPI has become the most preferred mode of payment due to its convenient features. He said that the MPC has increased the limit for making payments through UPI to Rs 5 lakh. Currently, the payment limit for UPI is Rs 1 lakh. Speaking to the press after the MPC meeting, Shaktikanta Das said that the Reserve Bank has reviewed the limits for various use cases and has increased them. These include categories such as capital markets, IPO subscriptions, loan recovery, insurance, medical, and educational services.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.948	-0.065	NIFTY 50	24,346.20	229.2
EURINR	92	0.022	BSE Sensex	79,647.87	761.51
GBPINR	107.155	0.108			
JPYINR	57.0979	0.0117			