

## Top Story 1

# Investment remains an important growth driver in India

Indian economy will likely expand 6.8% in the current fiscal as public investment remains the primary growth driver, the International Monetary Fund said Tuesday in its Regional Economic Outlook for Asia and Pacific. Krishna Srinivasan, Director of the Asia and Pacific Department at the IMF, stated, "In China and India, we expect investment to contribute disproportionately to growth much of it public, especially in India." Additionally, the IMF has raised its outlook for India's FY24 growth to 7.8%, surpassing the government's estimate of 7.6%. Growth in Asia and the Pacific surprised on the upside in the second half of 2023, reaching 5.0 percent for the year as whole significantly stronger than the outcome in 2022 (3.9 percent), and 0.4 percentage point higher than projected in the October 2023 Regional Economic Outlook: Asia and Pacific. Emerging Asia accounted for the bulk of positive growth surprises, including in Malaysia, the Philippines, Vietnam, and, most notably, India, the Fund noted.

[https://www.business-standard.com/markets/capital-market-news/investment-remains-an-important-growth-driver-in-india-says-imf-124050200296\\_1.html](https://www.business-standard.com/markets/capital-market-news/investment-remains-an-important-growth-driver-in-india-says-imf-124050200296_1.html)

## Top Story 2

### NPCI International & Bank of Namibia to develop UPI-like payment system in Africa

NPCI International Payments Limited (NIPL), the international arm of the National Payments Corporation of India (NPCI), has signed an agreement with the Bank of Namibia (BoN) to support them in developing an instant payment system like Unified Payment Interface (UPI) for Namibia. This collaboration marks a strategic leap towards strengthening Namibia's financial infrastructure and fostering inclusive economic growth. By leveraging technology and experiences from India's UPI, the partnership seeks to help Namibia modernize its financial ecosystem. This includes improving accessibility, affordability, connectivity with both domestic and international payment networks, and interoperability. The Hon'ble Governor of the Bank of Namibia, said, "Our objective is to enhance accessibility and affordability for underserved populations, achieve full interoperability of payment instruments by 2025, modernize the financial sector, and ensure a secure and efficient National Payment System. This endeavor, aligned with the Bank's Strategic Plan and NPS Vision and Strategy 2025, deliberately employs a central bank-led approach to minimize infrastructure costs for financial institutions, thereby ensuring the sustainability and affordability of instant payment solutions for end users."

<https://ibsintelligence.com/ibsi-news/npci-international-bank-of-namibia-to-develop-upi-like-payment-system-in-africa/>

## Finance: -

### **IMF raises India's FY24 GDP growth forecast to 7.8%, higher than the government's projection**

The International Monetary Fund (IMF) has projected that India's economy will grow by 6.8% in the current fiscal year, driven primarily by public investment. Krishna Srinivasan, Director of the Asia and Pacific Department at the IMF, stated, "In China and India, we expect investment to contribute disproportionately to growth—much of it public, especially in India." The IMF has revised its growth forecast for India upward from its January projection of 6.5% to 6.8%. Additionally, the IMF has raised its outlook for India's FY24 growth to 7.8%, surpassing the government's estimate of 7.6%. The IMF report highlighted that "India and the Philippines have been the source of repeated positive growth surprises, supported by resilient domestic demand." Regarding inflation, the IMF anticipates a more favorable situation for emerging markets, where inflation is already at or near the target. The report stated, "Core inflation is largely expected to remain contained."

<https://www.msn.com/en-in/money/markets/imf-raises-india-s-fy24-gdp-growth-forecast-to-7-8-higher-than-the-government-s-projection/ar-AA1nXMUi?apiversion=v2&noservercache=1&domshim=1&renderwebcomponents=1&wcseo=1&batchservertelemetry=1&noservertelemetry=1>

## Digitalization: -

### **UPI underscores India's leadership status in tech**

There is a global gap in the adoption of Artificial Intelligence (AI), with leading countries at 60 per cent implementation compared to laggards at 36 per cent, says a report on AI adoption by NetApp, Inc, an intelligent data infrastructure company. This trend extends to IT infrastructure choices, emphasizing the need for laggards to swiftly embrace AI to remain competitive. Proactive nations stand to gain in economic growth, while tardiness risks falling behind, it added, Aligned with the government priority of promoting AI in the country, Infobip, an omnichannel marketing platform, is set to enable customers to unlock that potential through its strategy of adapting and innovating generative AI (GenAI). vice president and General Manager-Asia, Infobip, says, "The NetApp report rightly underscores India's leadership status in AI implementation, especially in the legacy of digital advancement exemplified by milestones like UPI payments."

<https://www.bizzbuzz.news/technology/upi-underscores-indias-leadership-status-in-tech-1311391>

**Market: -**

## **Rupee Strengthens Against Dollar On A Cautious Fed**

The Indian rupee opened stronger against the dollar on after the US Federal Reserve kept its key interest rate steady for the sixth straight time. The local currency opened two paise stronger against the greenback at Rs 83.42. It had closed at Rs 83.44. The Federal Open Market Committee unanimously decided to hold its key interest rate at 5.25–5.5% in May, citing expanding economic activity and easing but elevated inflation, according to a statement. "The rupee is expected to maintain its resilience and may gradually strengthen to around 83.20 to 83.00 in the short term, with medium-term expectations aiming for levels around 82.50," Amit Pabari, managing director at CR Forex, said. The US Dollar Index tumbled after taking into account cautious comments by Fed Chair Jerome Powell. US data showed that the labour market remained tight in April, according to Kunal Sodhani, vice president of Shinhan Bank.

<https://www.ndtvprofit.com/markets/currency-trade-indian-rupee-open-close-and-current-rate-today-against-us-dollar-8>

## Banking: -

# Transforming Banking with Smart Innovations

Artificial intelligence in banking transcends basic automation, integrating sophisticated technologies that emulate human cognitive functions to enhance various aspects of banking operations. Among these technologies, supervised machine learning plays a pivotal role. This method involves training a model with a labeled dataset, which enables the algorithm to predict outcomes based on historical data. It is extensively applied in areas such as credit scoring, fraud detection, and customer segmentation. By analyzing past data, supervised machine learning predicts loan repayment probabilities, identifies suspicious transactions, and groups customers with similar behaviors for targeted marketing. These applications increase the accuracy of decision-making processes, reduce risks associated with credit and fraud, and enhance personalized customer service. Unsupervised machine learning and generative artificial intelligence are groundbreaking technologies in the banking industry, functioning independently of labelled data sets.

<https://www.financialexpress.com/opinion/artificial-intelligence-transforming-banking-with-smart-innovations/3474026/>

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.428	0.025	NIFTY 50	22,531.00	111.05
EURINR	89.479	3030	BSE Sensex	74,270.83	541.74
GBPINR	104.588	0.388			
JPYINR	53.21	0.5747			