

Top Story 1

India's dilemma: A growing economy and growing unemployment

India is on its way to becoming the third-largest economy in the world, yet unemployment among young people with graduate degrees is at an all-time high. The good news is India is the fastest-growing major economy in the world, on course to overtake Germany and Japan in the next five years in aggregate GDP. It will become the third-largest global economy after the US and China. However, there is a concern that the benefits of fast GDP growth are being undermined by low job growth and an accompanying pro-rich bias. Unemployment among young people with graduate degrees is at an all-time high of 29 per cent, and overall youth unemployment is hovering around 10 per cent. This has prompted some young Indians to travel to war zones in search of employment and higher income opportunities.

Top Story 2

India's online payment platform collaborates with LankaPay to promote UPI payments in Sri Lanka

Fintech major India's Online payment platform has collaborated with Sri Lanka-based LankaPay to enable Unified Payments Interface (UPI) transactions for the company's users in the island nation. The Bengaluru-based fintech's users travelling to Sri Lanka can make payments using Unified Payments Interface's (UPI) rails across LankaPay's merchants throughout the country. Users will transact in Indian Rupees (INR), and will see currency exchange rates levied on such transactions. Apart from the National Payments Corporation of India's (NPCI) UPI, these transactions will be facilitated by the LankaPay National Payment Network. LankaPay is owned by the Central Bank of Sri Lanka. The launch of the payments service in the country's capital saw the participation of Santosh Jha, the High Commissioner of India to Sri Lanka, and Dr. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka (CBSL), among others.

Economy: -

United Nations revises forecasts says India's economy to grow by 6.9% in 2024

The United Nations revised its economic forecasts for India, predicting a growth rate of 6.9% in 2024 and 6.6% in 2025. This revision is detailed in the "World Economic Situation and Prospects" report, released Thursday. The report attributes the anticipated growth to robust public investment and resilient private consumption. Despite subdued external demand, which is expected to weigh on merchandise export growth, strong performance in pharmaceuticals and chemicals exports is anticipated. The report underscores India's economic resilience, highlighting that strategic investments and sustained domestic consumption are key drivers of this growth. These factors collectively contribute to a positive economic outlook for India, even amid global economic uncertainties. The UN's revised forecast reflects confidence in India's ability to navigate external challenges and sustain a steady growth trajectory through effective public investment and the strength of its private sector.

Finance : -

India recorded about 131 billion UPI transactions in FY24, says finance minister

India recorded about 131 billion Unified Payments Interface (UPI) transactions with a total value of ₹200 trillion in FY24, finance minister Nirmala Sitharaman said. Addressing the 'Viksit Bharat Ambassador' event at GITAM in Visakhapatnam, Sitharaman said Indians have been adopting the digital payments technology even in rural areas. "Ordinary citizens of India are doing these kinds of (UPI) transactions. These are not just Adanis and Ambanis, they are ordinary sellers," Sitharaman said. As things stand, India's online payment platform (48.3%) and other online payment platform (37.6%) have a nearly 86% share of the UPI market by volume (number of transactions), according to data from the National Payments Corporation of India (NPCI), which runs UPI. Paytm Payments Bank, which is a distant third, saw its market share fall after the Reserve Bank of India (RBI) imposed restrictions on it in January. The next two, Cred and the Bank app, have a market share of less than 1% each.

Market: -

Rupee to open higher after data boosts odds of Fed rate cuts

The Indian rupee will open higher after weak U.S. retail sales and cooling U.S. inflation made it more likely that the Federal Reserve will cut rates later this year. Non-deliverable forwards indicate the rupee will open at 83.42-83.44 to the U.S. dollar, up from 83.50 in the previous session. U.S. consumer prices increased less than expected in April, fuelling hopes that the Fed will reduce borrowing costs, most likely at the September meeting. U.S. retail sales were unexpectedly flat in April against the expected 0.4% increase, providing one more reason to bet that the Fed will reduce interest rates. Control retail sales fell 0.3% on-month. Control retail sales, which are used to help calculate GDP, have been negative in three of the first four months of this year, ANZ Bank pointed out. The dollar index and the 10-year U.S. Treasury yield were down to their lowest in more than a month, while U.S. equities rallied. Futures are pricing in two interest rate cuts this year .

Investment: -

India's economic growth "very robust" as Western companies shift investment focus from China to India: UN expert

India's growth story has many takers across the globe, and the latest to join the list is Hamid Rashid, chief of the global economic monitoring branch at the UN Department of Economic and Social Affairs. Describing the country's economic growth prospects as "very robust", he recently highlighted the country's increasing attraction for foreign investment as Western companies shift their focus away from China. India's growth story has many takers across the globe, and the latest to join the list is Hamid Rashid, chief of the global economic monitoring branch at the UN Department of Economic and Social Affairs. Describing the country's economic growth prospects as "very robust", he recently highlighted the country's increasing attraction for foreign investment as Western companies shift their focus away from China.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.463	0.046	NIFTY 50	22,320.25	119.65
EURINR	90.859	0.074	BSE Sensex	73,364.19	369.32
GBPINR	105.92	0.089			
JPYINR	54.19	0.3357			