

Top Story 1

Indian Rupee Appreciates 7 Paise Against US Dollar In Early Trade

The Indian rupee appreciated by 7 paise to 83.24 against the US dollar (Dh22.68) recently on the back of a decline in U.S. Treasury yields before the Federal Reserve minutes, carrying forward its recent momentum. The currency ended at 83.3050 against the US dollar, slightly up from 83.3350 . The dollar/rupee pair witnessed a drop from 83.50 and inched further down . Forex traders indicated that the rupee encountered resistance due to weak sentiment in the domestic equity market and outflows of foreign funds. Most Asian currencies were marginally higher, the dollar index slipped slightly and U.S. Treasury yields lower, awaiting the minutes of the Fed's last meeting. The Fed at that meeting had signalled that it is still leaning towards cutting borrowing costs while acknowledging the higher inflation readings in the January-March quarter.

<https://menafn.com/1108243531/Indian-Rupee-Appreciates-7-Paise-Against-US-Dollar-In-Early-Trade>

Top Story 2

Steady Growth and Resilient Demand: A Positive Outlook for India's Economy

India's economy continues to demonstrate resilience, buoyed by strong domestic demand and stable macroeconomic indicators, according to Morgan Stanley. The firm maintains an optimistic outlook, although it notes potential risks from global factors and the upcoming election outcomes. Domestic demand-based high-frequency data for April showed a marked increase on both year-over-year (YoY) and month-over-month (MoM) bases. GST collections hit a record high of Rs 2.1 trillion in April, a 12.4% YoY increase. The Manufacturing Purchasing Managers' Index (PMI) remained strong at 58.8, while the Services PMI reached 60.8, driven by robust demand and rising new orders. On the external front, exports grew by 4.1% YoY on a three-month moving average (3MMA) basis in April, compared to just 0.6% in the previous three months. Inflation metrics were relatively stable in April. The Consumer Price Index (CPI) inflation was at 4.83% YoY, while core CPI stood at 3.2% YoY, both similar to March levels.

<https://in.investing.com/news/steady-growth-and-resilient-demand-a-positive-outlook-for-indias-economy-4208188>

Economy: -

India Could Be 3rd Largest Economy By 2028

American political scientist and global political risk consultant, Ian Bremmer, speaking exclusively, said India has underperformed for decades despite its "incredible demographic weight" and "very strong intellectual capital". Mr Bremmer is the founder of the Eurasia Group, a risk and research consulting firm. "The world has seen that India has underperformed for decades. India has incredible demographic weight and very strong intellectual capital... so many American CEOs come from India. Yet India, as an economy, underperformed," he said. "We see growth picking up," he noted, projecting that India will become the fourth-largest economy in the world by next year and the third-largest by 2028. He also highlighted India's growing influence on the global stage, suggesting that the country is increasingly defining its international relationships.

<https://www.ndtv.com/india-news/india-could-be-3rd-largest-economy-by-2028-us-political-scientist-to-ndtv-5721539>

Market : -

India achieves \$5 trillion market capitalization milestone, triples in a decade of economic progress

India has achieved a remarkable milestone, with its market capitalisation surpassing the \$5 trillion mark, tripling in a decade due to robust reforms and sustained economic progress. This growth has been particularly heartening, as it reflects significant changes in ownership dynamics. Domestic ownership of equities has risen substantially, while foreign institutional ownership has declined, indicating increasing confidence and participation of local investors. Additionally, India's GDP is projected to reach \$5 trillion within the next three years and \$7 trillion by 2030, underscoring the nation's strong economic trajectory. This surge in market capitalisation and anticipated GDP growth highlight India's resilience and potential as a global economic powerhouse, driven by strategic policy initiatives and a vibrant entrepreneurial ecosystem. The shift towards greater domestic investment is a testament to the growing financial maturity and optimism within the country.

<https://economictimes.indiatimes.com/opinion/et-commentary/india-achieves-5-trillion-market-capitalization-milestone-triples-in-a-decade-of-economic-progress/articleshow/110341807.cms?from=mdr>

Digitalization: -

TRANSFORMING INDIA'S ECONOMY: UPI'S POSITIVE IMPACT ON FINANCIAL INCLUSION

India's digital economy has witnessed a groundbreaking transformation with the introduction of the Unified Payments Interface (UPI). This innovative financial technology has not only streamlined transactions but also played a crucial role in enhancing financial inclusion across the country. As a cornerstone of India's digital payments landscape, UPI is making financial services more accessible, secure, and efficient for millions. This article delves into the profound impact of UPI on India's digital economy and its pivotal role in driving financial inclusion. Launched by the National Payments Corporation of India (NPCI) in 2016, UPI is an instant real-time payment system that enables inter-bank transactions. By linking multiple bank accounts into a single mobile application, UPI provides a seamless and unified platform for various banking features.

<https://www.northeasternchronicle.in/news/transforming-indias-economy-upi/>

Finance: -

India's central bank approves highest-ever dividend to the government

The board of India's central bank approved a record surplus transfer of 2.11 trillion rupees (\$25.3 billion) to the government for the fiscal year that ended in March, sharply above analysts' and government projections. The government had budgeted a dividend of 1.02 trillion rupees from the Reserve Bank of India, state-run banks and other financial institutions, interim budget estimates for the fiscal year 2024/25 show. For FY23, the RBI transferred 874.16 billion rupees to the government. Higher interest rates on both domestic and foreign securities, significantly higher gross sale of foreign exchange and little impact from the central bank's liquidity operations possibly lead to such a "whopping dividend", said Upasna Bhardwaj, chief economist at India's Private Bank. "We expect such a windfall to help fiscal deficit ease by 0.4% in FY25. Scope for lower borrowing being announced in the upcoming budget will now provide significant respite to the bond markets," she added.

<https://www.cnbc.com/2024/05/22/indias-central-bank-approves-highest-ever-dividend-to-the-government.html>

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.259	-0.016	NIFTY 50	22,832.25	235.40
EURINR	90.053	-0.074	BSE Sensex	74,971.91	750.84
GBPINR	105.925	0.019			
JPYINR	53.16	0.0901			