

Top Story 1

S&P Global cuts India's GDP growth forecast to 6.7% for FY26, 6.8% for FY27

S&P Global Ratings on Monday revised down its estimate for India's economic growth in the next two financial years as high interest rate and lower fiscal impulse temper urban demand. In an update to its economic forecast for Asia-Pacific economies after US election results, the rating agency projected a 6.7 per cent GDP growth rate in 2025-26 financial year (April 2025 to March 2026) and 6.8 per cent in the following fiscal year, down from 6.9 per cent and 7 per cent, respectively in previous projections. For FY25, S&P Global pegged GDP growth rate at 6.8 per cent. "In India we see GDP growth easing to 6.8 per cent this fiscal year as high interest rates and a lower fiscal impulse temper urban demand. While purchasing manager indices (PMIs) remain convincingly in the expansion zone, other high-frequency indicators indicate some transitory softening of growth momentum due to the hit to the construction sector in the September quarter," it said.

Top Story 2

UPI Gaining Global Access Rapidly: RBI

The internationalisation of the unified payments interface (UPI) is progressing rapidly, as India emerges as a world leader in leveraging digital technologies for transformative change, according to a Reserve Bank of India (RBI) report. The UPI hit a milestone of 16.6 billion transactions in a month in October, with improvements in its capabilities like successful instant debit reversals at 86 per cent (77% in the same month last year). “India’s UPI, an open-ended system that powers multiple bank accounts into a single mobile application of any participating bank, is propelling inter-bank peer-to-peer and person-to-merchant transactions seamlessly,” said RBI Deputy Governor Michael Debabrata Patra in the report.

Finance: -

India's economic growth expected to accelerate in October-December quarter: Report

India's economy was projected to grow at a faster pace in the third quarter of the current financial year (October-December 2024) compared to the first half (April-September 2024) as positive indicators are emerging of economic activity picking up pace, according to a report by ICRA. The report states that the preliminary data for November indicates a positive trend. The growth in electricity demand has picked up, while festive season demand continues to drive an increase in vehicle registrations. "These trends reinforce ICRA's expectations of a pick-up in the GDP growth in Q3 FY2025 compared to H1 FY2025." Economic indicators related to mobility and transportation have shown significant improvement.

Digitalization: -

The Role of a Digital Rupee in Modernising India's Payment Infrastructure

Digital payments have become an essential utility in India due to the rapid digitalization of the country and the cashless reforms aided by the Unified Payments Interface (UPI) and the recently introduced Digital Rupee (e₹). Being the foremost digital payment method, UPI has gained popularity, and so will the Digital Rupee, which was launched by the Reserve Bank of India (RBI) in the year 2022 through a dedicated system to provide a legitimate, easy, straightforward, secure, and always-available digital currency concept. The UPI was launched by the National Payments Corporation of India (NPCI) in 2016 and has transformed India's payment landscape by providing real-time, bank-to-bank transfers through mobile devices. UPI processed over 14 billion transactions as of mid-2024, supported by more than 550 banks across the country (NPCI).

Investment: -

India-Russia Economic Partnership: Strengthening Ties Across Trade and Investment

India and Russia established a Strategic Partnership Declaration in 2000, which was elevated to a Special and Privileged Strategic Partnership in 2010. Strengthening trade and economic relations has been a priority for governments in both countries, with targets set to boost bilateral investment to US\$50 billion and bilateral trade to US\$30 billion by 2025. In July 2024, during Prime Minister Narendra Modi's visit to Russia, he was awarded the Order of St. Andrew the Apostle, Russia's highest state honor, by President Vladimir Putin for "his contribution to fostering India-Russia ties". The two leaders discussed enhancing economic collaboration in key areas, such as energy, trade, manufacturing, fertilizers, and streamlining customs processes. Strategic trade routes, including the North-South International Transport Corridor, the Northern Sea Route, and the Chennai-Vladivostok Sea Line, were prioritized.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	84.079	0.006	NIFTY 50	24,781.10	-72.95
EURINR	91	0.04	BSE Sensex	81,151.27	-73.48
GBPINR	109.44	-0.286			
JPYINR	56.0349	-0.1733			

Market: -

Rupee gains 7 paise to Rs 84.22 against US dollar on strong equity rally

Rupee appreciated 7 paise to 84.22 against the US dollar in morning trade on Tuesday, on a sharp rebound in domestic equities amid improved investor risk appetite. Forex traders said the MSCI equity index rebalancing significantly boosted sentiment for Indian equity markets as foreign institutional investors broke a 40-session streak of net selling by purchasing Rs 9,947 crores on Monday, lending robust support to the rupee. Moreover, the win by the incumbent government in Maharashtra, further fueled investor confidence in economic stability, sparking a rally in equity markets. At the interbank foreign exchange, the rupee opened at 84.27 and moved in a tight range and touched an early high of 84.22 against the greenback, registering a gain of 7 paise over its previous close.