

Top Story 1

India's per capita to income to increase by \$2,000 over 5 years

Union Finance Minister Nirmala Sitharaman has expressed confidence in the nation's economic growth, forecasting a significant rise in per capita income over the next five years. Speaking at the Kautilya Economic Conclave, she projected that India's per capita income would grow by an additional \$2,000 in the coming half-decade. Sitharaman noted that while it took the country 75 years to achieve a per capita income of \$2,730, the next leap is expected to happen at a much faster pace. Sitharaman highlighted consumption's pivotal role in the country's economy, as it makes up over 60 per cent of India's GDP. She pointed out the importance of India's youthful population, with nearly 43 per cent being under 24 years old, calling it a key factor for driving organic consumption growth.

Top Story 2

India to become \$1 tn digital economy by 2028

With government's digital initiatives, India's financial ecosystem has undergone a paradigm shift over the last few years. A recent report by Ask Capital says with enablers like deep internet penetration efficient and cheap 4G and 5G services along with government digital initiatives India is set to become a USD 1 trillion digital economy by 2028. India has become a global example of real-time payments, benefiting from home grown technological innovations like UPI. India's digital transformation will be a game changer for the economic development.

Digitalisation of the Indian economy, along with the increasing use of smartphones in the past few years has propelled cashless transactions and online purchases. According to the Indian Council for Research on International Economic Relations (ICRIER), India's score on digital prowess has surpasses that of developed nations such as Japan, the United Kingdom and Germany in the aggregate level of digitalisation.

Banking: -

RBI Digital Currency Initiatives: Digital Rupee by RBI

The RBI digital currency initiatives mark a transformative shift in India's financial landscape with the introduction of the Central Bank Digital Currency (CBDC) by the RBI. Known as the Digital Rupee by RBI, this initiative forms a key part of the RBI's digital currency framework aimed at enhancing digital transactions and streamlining payments. By leveraging blockchain and RBI digital currency, the future of digital currency in India looks promising, offering a secure and efficient alternative to traditional methods. Unlike cryptocurrencies, CBDC is fully regulated, with the RBI's pilot projects on digital currency focusing on studying its economic impact. As part of the broader effort to boost digital payment systems by RBI, these initiatives signal RBI's commitment to digital financial innovation.

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Economy: -

India will be most rapidly growing economy

China's economic issues stem largely from suppressed household consumption. In contrast to the U.S., where consumption typically accounts for about 70% of GDP (even reaching 50% during World War II), China's consumption has hovered below 40%. This low consumption leaves significant resources that must be allocated elsewhere. For a time, much of this was funneled into infrastructure projects. However, after China poured more concrete in just five years than the U.S. did throughout the entire 20th century, the benefits of additional infrastructure investments have sharply diminished, yielding fewer returns. This imbalance now poses a challenge for sustainable economic growth.

Investment: -

Private equity investments in India surge 39 pc to reach \$10.9 billion in Jan-Sep

India has solidified its position as a leading market in Asia Pacific for financial sponsor activity, contributing 28% of the region's total equity investment during the period, a significant rise from 16% in the same timeframe last year, according to a report by LSEG, a global financial markets infrastructure and data provider. The country's appeal lies in its diverse investment opportunities across sectors such as healthcare, technology, and consumer services. Key growth drivers include increasing consumer demand, rapid digital transformation, and expansive infrastructure development, which collectively enhance India's investment landscape. Deals Intelligence highlighted that India's robust economic fundamentals and sectoral diversity continue to attract financial sponsors seeking high-growth potential. With a maturing market and favorable reforms, India presents a compelling case for sustained investor interest, positioning itself as a dynamic hub for equity investments within the Asia Pacific region. This trend underscores the nation's growing influence on global financial markets.

Market: -

Rupee rises 1 paisa to 83.95 against U.S. dollar

The Indian rupee gained 1 paisa to reach 83.95 against the U.S. dollar in early trade on Thursday, October 2024, supported by positive momentum in domestic equity markets and a softer dollar against global currencies. The upbeat performance of the equity market strengthened investor confidence, offering a brief respite for the domestic currency. However, the rupee's recovery was restrained by external pressures, including a surge in global crude oil prices, which increases India's import bill, and sustained foreign fund outflows. These factors underscored the challenges faced by the Indian currency despite favorable conditions in the equity market. Forex analysts noted that the dollar's dip against major overseas rivals provided the rupee with some breathing room, but the broader outlook remains cautious due to persistent global uncertainties. Market participants are closely watching developments in oil prices and foreign investment trends for cues on the rupee's trajectory.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.967	0.025	NIFTY 50	24,156.20	-190.8
EURINR	92	-0.0935	BSE Sensex	79,044.81	-604.11
GBPINR	107.398	0.247			
JPYINR	56.8018	-0.1863			