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India's Digital Payment Revolution: A Decade of Unprecedented Growth

India's digital payment landscape has seen remarkable growth over the past decade. According to a recent report by PwC India, retail digital payments have surged 90-fold over the last 12 years, with transaction volumes expanding at an impressive annual rate of 40%, while the value of these transactions increased by 35% each year. This impressive growth has been driven by various factors, the report says, including the swift expansion of digital infrastructure, the widespread popularity of the United Payments Interface (UPI) and other digital payment instruments, as well as changing consumer preferences towards digital transactions. During the fiscal year (FY) 2023-24, the momentum carried on, with UPI, the country's real-time payment system, recording a remarkable growth of over 50%, according to the report.

Top Story 2

India's economic growth stands out globally, says FM Nirmala Sitharaman

Finance Minister Nirmala Sitharaman on Wednesday said India is standing out globally in terms of economic growth and will continue to do so in the next few years. “We are much better off than many other countries; even advanced countries are struggling to grow. We are standing out as an economy growing at the fastest rate in the last few years, this year, and in the next few years as well, for which we can make predictions,” Sitharaman said while launching the NPS (National Pension Scheme) Vatsalya Scheme, which will allow parents to save for their children’s future by investing in a pension account. Sitharaman’s comment came at a time when Goldman Sachs and Citigroup cut China’s 2024 growth forecast to 4.7 per cent, against the Chinese government’s target of 5 per cent growth. India’s exports to China contracted by 22.4 per cent in August.

Banking: -

Banks to set up a Unified Recovery Interface to enhance efficiency

Eying benefits from digital banking, banks are now looking at building Unified Recovery Interface (UPI) for enhancing efficiency, reducing costs and getting good prices for properties of defaulters. This would be managed by public sector bank, a company set up by all public sector banks in the country, chairman, Indian Banks' Association (IBA), said: "Till now we had Unified Payment Interface (UPI), a product developed by National Payment Corporation Ltd (NPCI). The second leg that is coming is Unified Lending Interface (ULI). There is a thought process in bank that after the payment and lending side, the important aspect that is left out is recovery." With the bank balance certificate process in place, now Unified Recovery Interface will come through them. This will give comfort to bankers that when they lend this, the process will run for the recovery also, so there may not be many challenges in collection management. This will bring down the cost of collections, said.

Finance: -

India handled inflation much better than US, Germany and France: SBI Report

India has demonstrated a largely successful inflation targeting regime compared to advanced economies such as the USA, Germany, and France, according to a research report by the State Bank of India (SBI). The report credits government initiatives, the RBI, and banks for addressing these issues over the past decade, allowing for better policy transmission and improved inflation management. "The success of Inflation Targeting in India is largely a byproduct of a vibrant financial ecosystem where RBI, Government and the Banks are working closely in unison in ushering in market reforms" said the report. The report highlighted that India experienced minimal deviations from its inflation targets between 2021 and 2024, setting it apart from other global economies facing greater inflationary challenges.

Market: -

India becomes 6th largest market in MSCI ACWI, tops emerging markets list

India has become the sixth largest market in the MSCI All Country World Investable Market Index (ACWI IMI), surpassing China and narrowly behind France. For the first time, India is the largest emerging market (EM) in the gauge that tracks the performance of global capital markets. At the end of August, India's weight in the MSCI ACWI IMI stood at 2.35 per cent, 11 basis points (bps) more than China which is at 2.24 per cent. France has just 3 bps more weight than India. MSCI ACWI IMI index encompasses stocks in the large- and mid-cap space. It is a spinoff of the more widely followed MSCI ACWI Index, which has only large and mid-cap representation.

Investment: -

India, Russia aim for speedy conclusion of bilateral investment treaty

New Delhi Seven years after the expiry of the investment treaty between India and Russia, the two countries have launched negotiations to expeditiously conclude a fresh pact to ramp up investments and business cooperation, officials from both sides said. Negotiations for the proposed investment treaty were held virtually during July 2024, a little more than a week after the issue figured at a meeting between Prime Minister Narendra Modi and President Vladimir Putin in Moscow on July 9. Officials from both countries mutually agreed to speedily conclude an agreement to promote and protect investments, the officials said on condition of anonymity. A joint statement issued after the India-Russia Summit in July said the two leaders had directed officials to commence negotiations for signing a bilateral free-trade agreement in investments and services. The leaders also set a bilateral trade target of \$100 billion by 2030.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.963	0.01	NIFTY 50	25,139.05	-140.8
EURINR	93	0.068	BSE Sensex	82,160.60	-394.84
GBPINR	110.067	-0.039			
JPYINR	57.9006	0.1951			