

Top Story 1

India has potential to become \$ 55 trillion economy by 2047

India has the potential to become a USD 55 trillion economy by 2047 if state and central governments work hard to implement policies that will take the country's growth from "what has been historically 7 % to 8% (in rupee terms)", Krishnamurthy V Subramanian, Executive Director of the International Monetary Fund (IMF) said recently. In an interactive session during the launch of his book 'India @100' at Indian School of Business (ISB) here, Subramanian said becoming a USD 55 trillion economy by 2074 may appear audacious, but it is achievable. He also said India's private credit to GDP ratio was 58 per cent in 2020, six decades behind the advanced economies which are now at 200 per cent, though there is phenomenal work being done in terms of financial inclusion through schemes like 'Pradhan Mantri Jan-Dhan Yojana'.

Top Story 2

Budget Balances Fiscal Prudence, Growth: RBI Paper

The Union Budget strikes the "right balance" between fiscal prudence and macro stability, and strengthens the medium-term growth outlook, a paper by Reserve Bank of India (RBI) staffers said recently. The document presented by Finance Minister Nirmala Sitharaman on July 2024 aims to further strengthen the macroeconomic stability and harness the potential in different sectors of the economy, the paper by Aayushi Khandelwal, Harshita Yadav and others published in the central bank's monthly bulletin said. "Overall, the Union Budget 2024-25 strikes the right balance between fiscal prudence and macroeconomic stability which should strengthen the medium-term growth outlook," the paper, which does not represent the institutional views, said. The document aims at providing a "boost to growth and job creation while pursuing fiscal consolidation", it added.

Economy: -

India a bright spot, to remain fastest-growing major economy this year

Despite global macro-economic conditions, India continues to remain a bright spot and is expected to be the fastest-growing major economy this year, a report showed on Tuesday. The country has become the fifth-largest economy in the world, and is set to be among the top three global economic powers soon. Dr Gita Gopinath, Deputy Managing Director of the International Monetary Fund (IMF), stated last week that the country is likely to achieve this feat by 2027. The IMF has raised its economic growth forecast for the country for FY25 to 7 per cent from 6.8 per cent projected in April. The overall headline numbers of India's economy are strong, reflecting a large amount of public investment which has been a critical factor driving growth. According to the latest report by Motilal Oswal Private Wealth (MOPW), corporate earnings growth over the last five years has been stellar and this has been the primary driver of equity market performance.

Market: -

Indian Rupee Rises 8 Paise to 83.79 Against US Dollar

The Indian rupee stayed firm for the second straight session and settled 8 paise higher at 83.79 (provisional) against the US dollar on Tuesday, buoyed by positive domestic equity markets, weak American currency and lower crude oil prices. Forex traders said, foreign fund outflow, however, resisted a sharp rise in the local unit. At the interbank foreign exchange, the rupee opened at 83.86 against the greenback and traded in the range of 83.76 to 83.88. The unit finally settled at 83.79 (provisional) against the dollar, registering a gain of 8 paise from its previous closing level. The rupee settled 8 paise higher at 83.87 against the American currency. Anuj Choudhary, Research Analyst at Sharekhan by BNP Paribas, said the rupee rose to the highest levels in nearly two and a half weeks on a weak US dollar and positive domestic markets.

Net foreign direct investment rises to \$6.9 billion in Q1, shows RBI data

Net foreign direct investment (FDI) during the April-June period of the current financial year was \$6.9 billion, compared to \$4.7 billion in the year-ago period, the latest data released by the Reserve Bank of India showed. The increase was due to an improvement in gross inward FDI, which grew by 26.4 per cent year-on-year (Y-o-Y) to \$22.5 billion during Q1 of 2024-25. Manufacturing, financial services, communication services, computer services, and electricity and other energy sectors accounted for about 80 per cent of the gross FDI inflows. "With around 75 per cent of the flows, the major source countries were Singapore, Mauritius, the Netherlands, the US, and Belgium," RBI's state of the economy report said. Net FDI flow dropped sharply to \$9.8 billion in FY24, from \$28 billion in the previous year. In FY22, net FDI flows into the country were \$38.6 billion.

Digitalization: -

India to link UPI with Malaysia's PayNet, says PM Modi after talks with Malaysian PM Ibrahim

India plans to integrate its Unified Payments Interface (UPI) with Malaysia's PayNet, Prime Minister Narendra Modi announced on Tuesday following discussions with Malaysian Prime Minister Anwar Ibrahim. "Work will be done to link India's payment system UPI with Malaysia's PayNet," Modi said during a joint press conference in New Delhi. UPI, currently operational in Bhutan, Singapore, the UAE, France, Mauritius, Sri Lanka, and Nepal, is part of India's broader effort to extend its instant payment network globally. Minister of State for Finance Pankaj Chaudhary noted that the government and the Reserve Bank of India are actively pursuing initiatives to expand UPI's reach. The announcement followed a bilateral meeting between Modi and Ibrahim, where the two leaders discussed strengthening ties across various sectors. The meeting took place at Hyderabad House in the Indian capital.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	83.762	-0.07	NIFTY 50	24,698.85	126.2
EURINR	93	0.016	BSE Sensex	80,802.86	378.18
GBPINR	109.006	0.108			
JPYINR	57.3029	0.1142			