

## Top Story 1

### **India could be \$55 trillion economy by 2047 with 8% growth: IMF official**

Indian economy is slated to grow to \$55 trillion by 2047, if the country can register an average real growth rate of 8 per cent in the coming years with average inflation remaining around 5 per cent, said Krishnamurthy V Subramanian, executive director, International Monetary Fund (IMF), on recent event. He said that 8 per cent is ambitious but achievable, especially given the demography and the kind of policies that have been implemented over the past ten years like the public digital infrastructure, innovation and entrepreneurship. “If you take entrepreneurship, World Bank data from 2004 to 2014 shows that new firm creation was 3.2 per cent on average. From 2014 onwards, this new rate is orders of magnitude higher. As a result, you have the third-largest entrepreneurial ecosystem in the world, which will help with the productivity growth in the formal sector,” he said.

## Top Story 2

### **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.

## **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.

## **Finance: -**

### **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.

## Investment: -

### India-Africa are exploring rupee trade, to improve commerce

The Chairman of the CII Africa Committee and Chairman of TATA International Ltd. emphasized the growing need for innovative financial strategies to overcome challenges in India-Africa trade at the 19th edition of the CII India-Africa Business Conclave in New Delhi. He particularly highlighted the concept of Rupee trade as a potential solution, stating, "To address these challenges, we are exploring the concept of Rupee trade." They underlined the importance of building mutual trust between financial institutions in India and Africa, stressing that this would pave the way for broader private-sector participation. "Our goal is to build mutual trust between our (India and Africa) financial institutions and expand private sector participation, thereby facilitating the implementation of innovative financial solutions," he added. Tata further articulated India's long-term vision of strengthening its economic partnerships within multilateral frameworks like the African Continental Free Trade Area (AfCFTA). He pointed out that maintaining and enhancing these partnerships would help solidify India's role as a "Biswabandu" or "Friend of the World," a position India aspires to uphold on the global stage.

| 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 |            |           |        |