

## Top Story 1

### **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.

## **Top Story 2**

### **India, US strengthen energy ties**

The power ministry met a US delegation recently led by John Podesta, senior advisor to the President for International Climate Policy. The two sides explored possibilities in technical exchanges and financial support for upgrading transmission systems, manufacturing capacity in large transformers, and partnership on long-duration energy storage studies, among others. Power minister Manohar Lal emphasized the two countries' shared commitment to a clean energy future that fosters economic growth and development. India and the US can collaborate on areas like clean energy, energy storage systems and energy efficiency, Podesta said. He further said that the US can support India in enhancing its manufacturing capacity. The discussions covered policy consultations and potential financial support to advance these modernization efforts.

## **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.

## **Banking: -**

### **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.

## **Finance: -**

### **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.

## **Investment: -**

### **India, Africa should target \$200 bn trade in next 7 years**

There is a huge potential to increase economic cooperation between India and Africa as both regions can look at doubling two-way trade to USD 200 billion in the next seven years, Commerce and Industry Minister Piyush Goyal said on Wednesday. Speaking at CII's India-Africa business conclave, Goyal said the main sectors where businesses of the two sides can collaborate include agriculture, pharmaceuticals, mining, tourism, auto, critical minerals, and renewable energy. "I would like to suggest six areas for collaboration and cooperation as a way forward to take this relationship to the next level," he said, adding, "can we look at doubling our trade. So far we have only a few African countries who trade with India". He said as many as 33 countries do not participate in the duty free tariff preference (DFTP) scheme of India. "Can we look at getting more and more countries to enjoy the fruits of this partnership and set a benchmark to double this trade number from USD 100 billion to USD 200 billion between India and Africa. I think we should look at doing that in seven years," said.

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			