

Top story 1

Surge in Foreign Direct Investment in India

India is experiencing a significant surge in foreign direct investment (FDI), attracting global investors from various regions. India's growing reputation is becoming a prime investment destination. With a robust domestic market, a skilled workforce, and a stable regulatory framework, India is poised for rapid economic growth. This influx of investment is not only boosting the economy but also creating millions of new jobs across the country. Several factors contribute to the increasing FDI inflows into India. The country boasts a strong domestic market, which is appealing to foreign investors. India's population of over 1.4 billion offers a vast consumer base, making it an attractive location for businesses looking to expand. Additionally, the skilled and talented workforce in India is another significant draw. The country produces a large number of graduates each year, particularly in fields like engineering and information technology, ensuring that companies have access to a pool of qualified talent.

Top Story 2

UPI transactions rise 8% to 16.73 billion in December

Unified Payments Interface (UPI) achieved unprecedented record of 16.73 billion in December, showing an 8 per cent increase compared to the previous month's figure of 15.48 billion, according to the National Payments Corporation of India (NPCI). UPI transaction count was 15.48 billion in the month of November. The transaction value reached Rs 23.25 lakh crore in December 2024, higher than November's Rs 21.55 lakh crore, according to NPCI data. Daily transactions in December averaged 539.68 million, increasing from November's 516.07 million. The average daily transaction value in December stood at Rs 74,990 crore, surpassing November's figure of Rs 71,840 crore. NPCI, established through collaboration between the Reserve Bank of India (RBI) and the Indian Banks' Association, functions as the central organization supervising retail payments and settlement systems in India.

Economic

GDP growth may've picked up steam in Q3

Economic recovery appears to be gaining traction after a temporary slowdown in the September quarter, as business activity shows encouraging signs of improvement in the third quarter, economists noted. While annual growth for FY25 is projected to moderate compared to FY24's 8.2%, the outlook remains optimistic, with the government set to release the first gross domestic product (GDP) advance estimates for FY25 on Tuesday. India's GDP, which expanded by 5.4% in the July-September quarter—marking a seven-quarter low—has spurred some revisions in growth estimates for the fiscal year. Gross value added (GVA) growth also moderated to 5.6% in the September quarter, down from 6.8% in the preceding three months. However, economists highlight that this phase may mark the turning point for recovery. A key indicator of this revival is the surge in Unified Payments Interface (UPI) transactions, which averaged ₹22.8 lakh crore per month in the third quarter, significantly higher than the ₹20.6 lakh crore in the second quarter, as per data from the National Payments Corporation of India (NPCI). This robust increase underscores rising consumer activity and economic confidence. With signs of a rebound in high-frequency indicators, India's growth story is poised for a promising turnaround.

Finance

Why fin services in India will boom and bloom

There was a cheer when India's stock market registered the 100 millionth (10 crore) investor account. While that is an astounding number for most countries, it is just a fraction of the potential in India, with 1.4 billion (or 140 crore) people. Most market experts say the potential is three times more than the number. To have 300 million investor accounts would be an extraordinary development. That would be more than the population of the US and probably multiple times the number of individual investors in Europe. Household savings are key drivers in an economy to finance growth. Surveys have shown that most savings are entered into physical assets in

India. Most homes prefer to hoard real estate or gold. It is estimated that households in India have close to 24,000 tonnes of gold.

Banking

Indian banks to undergo around 12.5% credit growth in 2024-25

Indian banks are expected to achieve a credit growth of 12.5 per cent in the financial year 2025, according to a report published on Friday. The retail loan sector showed positive momentum in November 2024, driven by strong demand for unsecured personal loans, steady growth in home and gold loans, and some recovery in credit extended to non-banking financial companies (NBFCs). Non-food credit grew by 12.2 per cent year-on-year in November 2024, compared to 12 per cent in October, with month-on-month growth improving to 1.3 per cent from 0.7 per cent. Retail loans increased by 13.3 per cent year-on-year and 1.5 per cent month-on-month, while loans to micro, small, and medium enterprises (MSMEs) rose by 13.8 per cent year-on-year and 0.7 per cent month-on-month.

Tax

Union Budget 2025: Tax Incentives for Fixed Deposits on the Table to Boost Middle-Class Savings

As the Union Budget 2025 approaches, **Finance Minister Nirmala Sitharaman** is actively engaging with representatives from the financial sector to consider key recommendations aimed at boosting middle-class savings. Among the proposals, a significant focus is on **tax incentives for fixed deposits (FDs)** to encourage investment in this traditional savings tool. During a consultation meeting on Thursday, financial sector representatives, including major banks, suggested treating fixed deposit interest separately from regular income tax. Currently, FD interest is taxed as per the individual's income tax slab under "Income from Other Sources," which many believe discourages potential investors.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	85.813	0.046	NIFTY 50	23,856.30	147.4
EURINR	88.363	0	BSE Sensex	78,761.35	461.02
GBPINR	106.742	0.194			
JPYINR	0.5436	0.0017			