

## Top story 1

### **US-India relations: US Deeply invested in India's success**

United States National Security Advisor delivered a powerful speech at the prestigious Indian Institute of Technology (IIT) Delhi during his visit to India, emphasizing the growing strategic and economic partnership between the two nations. In his remarks, he highlighted the historical and ongoing significance of India-US collaboration in technology, stating, "America was the first foreign country to collaborate with India on technology." He further reaffirmed the United States' commitment to India's growth, noting, "We are deeply invested in India's success." Sullivan underscored the robust economic relationship, pointing out the critical role of Indian investments in the United States. "Indian investments in the US have created – by some estimates – 400,000 jobs," he said, emphasizing the mutually beneficial nature of these ties.

## Top Story 2

### **The role of India's private sector in economic relations with Russia**

India and Russia are showing an appetite for continued economic engagement. Bilateral trade increased exponentially from \$12.34 billion in 2022 to \$65 billion in 2023; the target is \$100 billion by 2030. To achieve such a level of economic cooperation, the private sector in both countries will need to increase their participation. This brief assesses the presence of India's private sector in Russia and evaluates the potential for enhanced relations. In 2023, India's trade with Russia was recorded at \$65 billion, significantly higher than the \$12.34 billion in 2022, and more than double the target of \$30 billion set by both countries in 2019. This growth in trade was mainly due to discounted energy imports from Russia amid its ongoing war in Ukraine and subsequent Western sanctions. Today, India is a major trading partner for Russia, with the bilateral trade dominated by Russian exports to India.

## Economic

### India's Q3 GDP Growth Shows Signs of Recovery

India's economic recovery appears to be gaining momentum after a brief slowdown in the September quarter, as business activity shows promising improvement in the third quarter, according to economists. While annual growth for FY25 is expected to moderate compared to FY24's 8.2%, the outlook remains positive. The government is set to release the first advance estimates of GDP for FY25 on Tuesday. GDP growth in the July-September quarter stood at 5.4%, the lowest in seven quarters, prompting some adjustments in growth forecasts for the fiscal year. Similarly, gross value added (GVA) growth slowed to 5.6%, down from 6.8% in the previous quarter. However, experts suggest this slowdown could signify a turning point for recovery. One encouraging indicator of revival is the sharp rise in Unified Payments Interface (UPI) transactions, which averaged ₹22.8 lakh crore per month in Q3, up from ₹20.6 lakh crore in Q2, according to data from the National Payments Corporation of India (NPCI). This surge reflects increasing consumer activity and growing economic confidence.

## Tax

### Union Budget 2025: Proposed Tax Relief on Fixed Deposits to Encourage Middle-Class Savings

Ahead of the Union Budget 2025, Finance Minister of India is consulting with financial sector representatives to explore measures aimed at enhancing middle-class savings. A key proposal under consideration is the introduction of tax incentives for fixed deposits (FDs), a popular savings option. During a consultation on Thursday, representatives from major banks and financial institutions recommended revising the tax treatment of FD interest. Currently, interest earned on fixed deposits is taxed as part of an individual's income under the "Income from Other Sources" category, based on their income tax slab. This taxation method is viewed by many as a deterrent for potential investors. The proposed changes aim to make FDs a more attractive savings instrument.

## Finance

### **India's Financial Services Sector Set for Exceptional Growth**

India's financial services sector is on an exciting growth trajectory, with the stock market recently achieving a major milestone of 100 million investor accounts. This achievement highlights the growing financial awareness and investment culture in the country. However, the true potential is even greater, given India's population of 1.4 billion. Experts predict that the number of investor accounts could triple to an extraordinary 300 million—surpassing the population of the United States and significantly outpacing Europe's individual investor base. Household savings are a cornerstone of economic growth, and India has an immense reservoir of untapped potential. While a significant portion of savings is currently invested in traditional assets like real estate and gold. This presents an incredible opportunity to channel these resources into financial markets. By transitioning more savings into financial investments, India is poised to unlock unparalleled growth in its financial services sector, driving innovation and strengthening its economy.

## Investment

### **India's Alternative Investment Funds Poised for Fivefold Growth, Expected to Exceed \$2,000 Billion by 2027**

India's alternative investment sector is witnessing unprecedented expansion, driven by a growing number of high-net-worth individuals (HNIs). Investors are increasingly shifting from traditional assets like real estate and gold to alternative investments that offer the potential for higher returns. This transition reflects a growing demand for better alpha generation as public equity markets face challenges in delivering significant gains. The wealth of HNIs and ultra-high-net-worth individuals (UHNIs) in India is projected to surpass \$2,000 billion by 2027, creating a strong demand for innovative financial products such as Alternative Investment Funds (AIFs). This burgeoning interest in diversified investment options is expected to strengthen India's position in the global alternative investment market, paving the way for a dynamic ecosystem that fosters wealth creation and growth.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	85.959	0.205	NIFTY 50	23,744.35	128.3
EURINR	89.137	0.081	BSE Sensex	78,268.82	303.83
GBPINR	107.46	0.114			
JPYINR	0.5429	0.0008			