



Wishing you a prosperous New Year!!! We extend our gratitude for your trust & support. We aim to further strengthen our partnership and deliver on our promise of sustainable growth.

Global Economy

- US Fed reduced interest rate to 4.25% from 4.50% in Dec 2024.
- Central banks of Japan & England have kept their rates unchanged at 0.25% & 4.75% respectively.
- The European Central Bank (ECB) reduced its key interest rates by 25 basis points in December 2024, marking the fourth rate cut this year.
- The People's Bank of China kept the one-year medium-term lending facility rate unchanged at 2% and withdrew USD 158 billion from the financial system, the largest reduction since 2014.

Indian Economy

- The country's forex reserves fell by USD 8.478 billion to USD 644.391 billion for the week ended December 20.
- India's external debt rose 11.73% y-o-y to \$711.8 billion in the July-Sept quarter. The long-term debt was \$578.2 billion, and the short-term debt was \$133.6 billion.
- India crossed over USD 1 trillion in FDI from April 2000 to September 2024, with Mauritius, Singapore, and the US as the top investors. Key sectors included services, software, and telecommunications.
- Rupee hits record low, slips past 85 per dollar as US Fed signals lower rate cuts in 2025.

Indian Startups

- 90 Indian start-ups raised total funding of around USD 1100 million in the month of December 2024.
- Fintech, Hyperlocal Delivery & Enterprise Tech are major segment that secured USD 309 million, 218 million & 196 million funding respectively followed by Renewable Energy, Edtech, Ecommerce, D2C brands and others.

Debt Outlook

- Revenue Secretary Sanjay Malhotra appointed as the next RBI Governor.
- RBI Introduces SORR (Secured Overnight Rupee Rate) as the new interest rate benchmark based on the secured money market.
- FPIs invested INR 1.12 lakh crore in Indian debt markets in 2024, up from INR 68,663 crore in 2023, driven by India's inclusion in JP Morgan's Government Bond Index and expected inclusion in Bloomberg's bond index by January 2025, alongside anticipated US Fed rate cuts.
- As per industry experts India's dollar bond issuance was around \$12 billion in 2024 against \$5 billion last year and it is expected to see continued momentum in 2025.
- India's banking system experienced its largest liquidity deficit in six months, reaching USD 17.7 billion due to advance tax payments and potential RBI intervention.

INDIA 10-YEAR BOND YIELD

