

"Opportunities come infrequently. When it rains gold, put out the bucket, not the thimble."

- Warren Buffett



Your Weekly Window to Key Financial Headlines

Nifty 50 Sensex Dow Jones Dollar

23,559.95 77,860.19 44,303.40 87.4200 -43.40 -197.97 -444.23 -0.1800 +456.00

**84,900.00** +**45** (\*As on 08/02/2025 on Money Control\*

Economic Insights Corporate News

10/02/2025, MONDAY

Global News

Reader Engagement

Gold

Government Policies

### Corporate Chronicles

#### Ola's AI Investment

Market Lens

- Bhavish Aggarwal, co-founder and CEO of Ola Cabs and Ola Electric, announced a ₹2,000 crore investment in his AI startup,
- The investment includes the launch of the Krutrim AI Lab and plans to open-source several AI models, fostering collaboration in India's AI community.
- This move aims to accelerate AI innovation in India and contribute to the global AI ecosystem.

#### Reliance \$3-Billion Loan Syndication New

- Reliance Industries (RIL) announced that 10 more foreign banks, including ANZ,
   Barclays, and JP Morgan, are joining its \$3-billion loan syndication, bringing the total number of lenders to 21.
- The funds, partially denominated in yen, will be used for upcoming repayments and capital expenditures.
- The syndication aims to refinance loans maturing in 2025 and improve RIL's financial flexibility.

#### Trent's Stake Sale in Massimo Dutti India

- Tata Group's retail arm, Trent, announced it will sell its 29% stake in Massimo Dutti India to Grupo Massimo Dutti, Spain, for ₹20.75 crore.
- Post-sale, Trent's stake will reduce to 20%.
- The decision aligns with Trent's strategy to streamline investments and focus on other growth opportunities.

**Corporate Earnings Updates** 

Bombay Stock Exchange (February 3, 2025):

**Net profit:**  $\downarrow$  5% due to lower trading

Recorded: 3% YoY revenue growth to

\$5.0 billion, with strong performance in

Health Sciences and Financial Services.

Mahindra & Mahindra (February 5, 2025):

fueled by strong automotive sales and

**Net profit:** 15% net profit growth to

₹1,500 crore, benefiting from strong

Net Profit: 9% increase in net profit to

₹5,000 crore, driven by higher interest

income and lower bad loan provisions.

**<u>Leadership Appointments</u>** 

Citibank announced that Ashu Khullar, the

appointed as the Global Co-Head of Global

Balasubramanian will succeed Khullar as

the India CEO, subject to approval from the

current CEO of Citibank India, will be

Asset Managers (GAM), overseeing

operations in EMEA and Asia. K

Reserve Bank of India (RBI).

Net profit: 19.64% increase in net profit,

volumes and increased operating

Cognizant (February 4, 2025):

cost-cutting efforts.

festive demand.

**SBI (February 8, 2025)** 

Citibank (February 5, 2025)

Asian Paints (February 6, 2025):

expenses.

# RBI Cuts Policy Rate to 6.25%, Easing Loan Costs Amid 'Dream Budget' Boost

The Reserve Bank of India has cut its benchmark interest rate by 0.25 percentage points to 6.25%. The rate cut is expected to have a ripple effect across the Indian economy. Beyond just lower loan rates, it can improve business sentiment, encouraging expansion and job creation.

The move also signals confidence in the government's fiscal measures, specifically the tax cuts, and their potential to stimulate growth without

regions.



triggering runaway inflation.

While the immediate impact be on repo-linked loans, borrowers with MCLR-based loans can expect relief in subsequent quarters.

The RBI's action is a calculated bet

India, the most expensive market," no amount of handwaving" can

justify valuation: Valuation Guru

University and a leading expert on valuation.

India is the most expensive equity market in the world, and "no amount of

handwaving" can justify its current valuation levels, according to

"Valuation Guru" Aswath Damodaran, a professor of finance at New York

Nifty and Sensex are trading 10% below last year's all-time highs, while

on reviving demand and reversing the recent slowdown, though its long-term success will depend on various factors, including global economic conditions and how effectively banks transmit the rate cut to borrowers.

The effectiveness of this measure will depend on how quickly and fully banks pass on the benefits to borrowers and how businesses and consumers respond to the lower borrowing costs.

### <u>Market Lens</u>

### Indian Markets Drop as US Tariff

## Tensions Escalate Indian equity markets fell on Monday,

- mirroring a broader sell-off in Asia, as Canada and Mexico retaliated against U.S. tariff announcements, intensifying trade war fears.
- Uncertainty over tariffs, slowing corporate earnings, and persistent foreign outflows added to market pressure.
- Foreign investors net sold shares worth ₹3,958 crore, while domestic institutions bought ₹2,708 crore.

#### Rupee Hits a Record Low

The Indian rupee weakened to a lifetime low of 87.582 per dollar on Thursday(Feb. 06,2025), before closing at 87.577/\$1.

- Persistent dollar demand to settle maturing non-deliverable forward (NDF) positions.
- Domestic policies and global geopolitics shaping investor sentiment and currency markets.

#### Gold Slips 1% as Strong Dollar, U.S. Jobs Data Loom

Gold prices fell by 1%, with spot gold at \$2,848.41 per ounce, after hitting a record high of \$2,882.16.

### Reasons:

- The dollar strengthened ahead of the non-farm payrolls report.
- The U.S. economy added 143,000 jobs in January, down from 256,000 in December, while unemployment dipped to 4%.
- A resilient labor market is reducing expectations of further Federal Reserve rate cuts, pressuring gold prices.

### Government Policy

Argentina's Merval surged over 170% in 2024, making it the best-performing index. However, high

inflation reduces its real returns. Investors who diversified globally underperformed those who

stayed in the US. Brazil was among the worst-performing markets in USD terms. Damodaran's

analysis highlights Latin America, Eastern Europe, and Japan as undervalued but risky investment

## India Introduces Bond Forwards Trading to Boost Financial Markets

- The RBI announced plans to permit trading in bond forwards, allowing long-term investors to manage interest rate risks more effectively. This facilitates efficient pricing of derivatives based on bonds
- Bond forwards allow investors to buy government securities at a predetermined future date at a predetermined price.
- The final guidelines for these contracts would be announced shortly.

# India to Release Monthly Unemployment Data from April 2025 • Starting April 2025, India will publish

- Starting April 2025, India will publish monthly unemployment figures. This initiative is designed to provide policymakers with more timely and detailed employment data, enhancing policy decisions at both national and local levels.
- Additionally, the quarterly periodic labour force survey will now provide separate estimates for urban and rural areas.

### RBI Adds 72 Tonnes Gold in 2024 Amid Volatility

- RBI added 72 tonnes of gold to its reserves in 2024, quadrupling its 2023 additions of 18 tonnes. This marks its highest annual purchase since 2021, bringing total holdings to 876.18 tonnes.
- RBI ranked among the top gold buyers globally, following Poland and Turkey, as central banks increased bullion holdings amid currency volatility after Donald Trump's November election.
- Unlike some global peers, RBI rarely sells its gold reserves due to political sensitivities.

FALCON

### India Reviews Import Tariffs Amid U.S. Trade Pressures

- India is reviewing tariffs on over 30 items, including luxury cars & solar cells, aiming to cut average rates from 13% to below 11%. The move, driven by U.S. trade concerns, may boost American imports.
- Recent budget measures have already lowered tariffs on high-end goods and introduced an Agriculture Infrastructure Development Cess (AIDC).
- Additionally, India plans to remove retaliatory duties on U.S. products like almonds and apples after settling trade disputes at the WTO.

### Startup & Innovation

### Leveraging Private Sector for Space Initiatives

- India is ramping up private sector involvement in its space industry, shifting rocket & satellite production from ISRO to startups like Skyroot Aerospace and Agnikul Cosmos.
- With a \$44 billion revenue target by 2033, the government is fostering innovation through IN-SPACe and a ₹10 billion venture fund. Plans include a space station by 2035 and a manned moon mission by 2040.

### Indian Startups to Feature in India Energy Week

From February 11-14, 2025, Indian startups will showcase their innovations at India Energy Week in New Delhi. A special startup pavilion will demonstrate the breadth of innovation in India's energy sector. Winners of recent startup challenges, such as Avinya'25 and Vasudha, will present their solutions to over 70,000 energy professionals from 120 countries.

## Reader Engagement

# Falcon Launches its Portfolio Maximiser SurgeFX: Revolutionizing Bank Product Portfolios with Al-Driven Campaign Strategies

Falcon, a next-gen banking technology provider, has announced the launch of Falcon's Portfolio Maximiser – SurgeFX, an advanced solution designed to help

SurgeFX tackles key challenges banks face, including fragmented merchant management, inefficient budget utilization, and stagnant portfolio growth. The

platform offers a scalable, data-driven approach to campaign management, partnerships, and customer engagement.

### Key Features of SurgeFX:

- Merchant & Offer Network: Digital-first tools streamline partnerships and offer management, reducing time-to-market.
- ✓ <u>Targeting Intelligence</u>: Advanced cohort analysis ensures precision targeting for personalized offers.
- ✓ Predictive Simulators: P&L simulations optimize budget allocation and campaign strategies.

banks enhance customer engagement, optimize rewards, and drive revenue growth.

- ✓ <u>Hyper-Personalized Campaigns</u>: Al-driven lifecycle-based campaigns enhance customer loyalty.
- Real-Time Insights & Analytics: Dashboards track key metrics like activation rates and portfolio performance.
   Automated Reconciliation: Eliminates errors in reward reconciliation and expense transfers.
- "SurgeFX represents our vision to equip financial institutions with AI-powered tools to maximize portfolio growth and customer engagement," said Priyanka Kanwar, Co-founder & CEO of Falcon. Nilufer Mullanfiroze, a veteran banker, added, "This solution declutters banking challenges, streamlines processes, and optimizes targeting strategies."