

# Newsletter

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**Finance Club 2023-25**

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## Story of the week

- India's PMI (purchasing managers' index) fell to 60.5 in Aug (vs 60.7 in July). Manufacturing PMI fell to 57.9 (vs 58.1) and services PMI rose to 60.4 (vs 60.3).
- India became the biggest importer of Russian oil (2.07 million barrels per day) in July, surpassing China (1.76 million): according to some reports on import data.
- Exports of gems & jewellery fell 21.93% year-on-year to Rs 13,922.03 cr in July, while imports fell 15.13% to Rs 11,738.92 cr: GJEPC.

## The US Treasury's Backdoor Stimulus Is Hampering the Fed

The US Treasury's debt-issuance policies have become a powerful form of policy easing. By shortening its issuance profile to reduce long-term interest rates, the Treasury has delivered economic stimulus equivalent to a one-point cut to the Fed's policy rate, impeding the central bank's efforts to control inflation.

## Real Estate: A pause after breathtaking rally or a trend shift?

The long term potential of the real estate sector seems intact but the recent underperformance may reflect some caution needed for those with a shorter horizon

## Paytm deal - Zomato's ticket to entertainment

Fun events can be a great way to build teamwork and unity across the entire organization. Inform employees of upcoming events here.

## Start-up Street | WazirX hack: socialising losses and short-changing of customers

The crypto exchanges' post-hack actions, including their communication strategy and steps to recover the funds, have raised calls for better regulation

## Early RBI warnings on top-up loans is fair but LAP is the real worry

Small ticket loan against property is expected to grow 20-25 percent CAGR over next five years

### **Highlights**

RBI issued warnings on top-up loans given by lenders at August policy meet, citing high growth

The regulator wants lenders to monitor end-use of such loans

Small ticket loan against property is another fast-growing segment

Small ticket LAP is 64 percent of total business loans given by NBFCs

Signs of stress have emerged in large states where LAP is popular product

## India's gold loan market set for rapid growth amid rising prices; unorganized sector holds 63% share:

With the market penetration of gold loans in India currently at only 5.6 percent, there is considerable untapped potential within household gold holdings.

The gold loan market in India is on the cusp of substantial growth, driven by rising per-gram gold rates and increasing customer demand.

Currently, the market is predominantly controlled by the unorganized sector, which holds a 63 per cent share, while organized players, including banks and Non-Banking Financial Companies (NBFCs), account for the remaining 37 per cent, according to a PwC report.

# Cabinet clears Unified Pension Scheme; decision ensures dignity & financial security for government employees, says PM Modi

With the Unified Pension Scheme coming into force on April 1 next year, the central government employees covered under National Pension Scheme (NPS) will have choice to continue with it or opt for the new scheme.

In a significant decision, the Centre on Saturday approved the Unified Pension Scheme (UPS), which provides an assured pension, a minimum pension and an assured family pension.

With the Unified Pension Scheme coming into force on April 1 next year, the central government employees covered under National Pension Scheme (NPS) will have choice to continue with it or opt for the new scheme.

## For questions and concerns, reach out to us!

Finance Club head

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