



INDIA REPORT

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Close:	Level	Index Pts Chg-Day	% Chg YTD
21 Oct 2022			
SENSEX 30	59,307	+104	+1.8%
NIFTY 50	17,576	+ 12	+1.3%

Other Markets: Level & % YTD

ASIA: CHINA Shanghai:	3,039 (-17%)
JAPAN Nikkei 225:	26,891 (-6%)
EUROPE: UK FTSE:	6,895 (-7%)
GERMANY DAX:	12,635 (-20%)
USA: Dow Jones:	30,359 (-16%)
NASDAQ Composite:	10,582 (-32%)
GOLD:	\$1,638.19 (-10%)
SILVER:	\$18.73 (-20%)
BRENT OIL:	92.86 (+19%)

Indian Currency; Level & YTD

INR ₹ / USD	\$1=	Rs82.83 (-11.2%)
INR ₹ / GBP	£1=	Rs92.14 (+8.5%)
INR ₹ / EUR	€1=	Rs81.00 (+4.4%)

⇒ International credit ratings agency, Fitch Ratings said on Wednesday that India has adequate foreign exchange reserves and its current account deficit is likely to remain at sustainable levels, limiting any risk to the country's sovereign rating from external pressures. "India's external buffers appear sufficient to cushion risks associated with rapid monetary policy tightening in the U.S. and high global commodity prices," Fitch said in a release. The ratings agency added that India's public finances remain the key driver of the country's sovereign rating and its limited reliance on external financing helps. The Indian rupee fell to a record low against the US Dollar yesterday of Rs83.26 and has declined more than 11% so far this year. The worst drop since 1991 for the Rupee vs the US\$ was in 2008 (global financial crisis) - down 19.2%.

⇒ Since January the country's forex reserves are down by \$101 billion, but are still large, said Fitch. The reserves of \$532 bn remain strong at nearly 9 months of imports, higher than the 6.5 months in 2013. Then the rupee was hitting all-time lows (Rs 65.56) due to a high current account deficit (-4.8%) and by concerns about a reversal of global easy monetary conditions from which India benefited as cheap money flowed to high-growth economies like India. The strong cover allows authorities to utilise reserves to smooth over periods of external stress, Fitch added. RBI Governor Das said about 67% of the decline in reserves from 1 April is due to valuation changes arising from an appreciating US dollar and higher US bond yields. Fitch sees India's current account deficit at 3.4% of GDP in the current financial year to 31 March 2023.

⇒ After meeting Indian Prime Minister Narendra Modi in New Delhi in April, then-British premier Boris Johnson said that the two leaders had agreed to get a deal done by the Hindu New Year festival of Diwali, which falls on 24 October this year. The aim is to double bilateral trade by 2030, from more than \$31 billion now. However, this seems very unlikely now although no statement has been made on what is holding matters up. India's foreign ministry spokesperson, Arindam Bagchi, said the Diwali deadline had not been cast in stone. "There was a general goal of trying to get it done by Diwali. But goals are dependent on negotiations," he told a news conference last Friday. "So let me not complicate the negotiators' lives by saying it has to be done by a certain date."

⇒ Apart from more visas, India wants to increase exports of leather, textiles, jewellery and food products to Britain, while Britain is keen to sell more whiskey to India and wants it to reduce an import duty of 150%. Also, Reuters reported last week that Indian car makers had proposed cutting to 30% the tax rate on imported cars as part of the trade deal with Britain, from 60% to 100% now. Last week the U.K. government said that while they still wanted to secure a deal with India by Diwali there would be no sacrifice of quality for speed.

⇒ India's opposition Congress party declared veteran leader Mallikarjun Kharge its new leader on Wednesday, the first person from outside the influential Nehru-Gandhi family to hold the struggling party's presidency in nearly 25 years. The 137-year-old party helped lead India's struggle for independence from Britain that was finally achieved in 1947. Congress has dominated Indian politics for decades afterwards and has mostly been led by a member of the Nehru-Gandhi family. The Congress party's grip on the nation has eroded considerably after losing two successive general elections since 2014 to current Prime Minister Narendra Modi's Bharatiya Janata Party (BJP), which has also taken control of some hinterland states from the Congress.

⇒ Kharge, an 80-year-old from the lowest rung of India's caste system, is seen as a loyalist of the dynastic Nehru-Gandhi family, which has produced three Indian prime ministers and is expected to retain its influence over the party. The three prime ministers from the dynastic family ruled India for 38 out of the first 44 years of India's independence. In total the Congress party has ruled India for 54 of its 75 years as an independent nation. The Congress hopes to revive its flagging fortunes with the new leader. Kharge overwhelmingly won the party vote by defeating Shashi Tharoor, a three-term Congress M.P. who previously served as a U.N. Under-Secretary General. "The most important issues facing the country right now is inflation, unemployment, a widening divide between the rich and poor and a growing environment of hatred spread by the ruling government," Kharge told reporters after his win.

⇒ India aims to develop standard cryptocurrency operating rules during its G20 presidency next year as no single country can effectively regulate this on its own, Finance Minister Sitharam said.



FINTECH : GLOBAL FINANCIAL CENTRES INDEX (GFCI) 32: SEPTEMBER 2022

courtesy: Z/YEN, LONDON

Source: https://www.longfinance.net/media/documents/GFCI_32_Report_2022.09.22_v1.0_.pdf

- Z/Yen has been producing the authoritative Global Financial Centres Index (GFCI) every March and September since 2007. Below is data on FinTech centres from their latest GFCI Number 32 published in September 2022.
- For the seventh time since GFCI reports started a separate index ranking financial centres as competitive places for FinTech was included.
- Z/Yen is the City of London's leading commercial think-tank. Z/Yen was founded in 1994 to promote societal advance through better finance and technology. Professor Michael Mainelli is the Executive Chairman of Z/Yen Group.
- The authors of GFCI 32 are: Professor Michael Mainelli and Mike Wardle.

TOP 15 FINTECH CENTRES GLOBALLY OUT OF 113:

Rank	City	Rank	City	Rank	City	Rank	City	Rank	City
1	New York	4	London	7	Shenzhen	10	Hong Kong	13	Singapore
2	San Francisco	5	Shanghai	8	Boston	11	Guangzhou	14	Seoul
3	Los Angeles	6	Beijing	9	Chicago	12	Washington DC	15	Sydney

1. Chinese and US centres continue to feature strongly, reflecting their focus on technology development. San Francisco and Los Angeles have moved into second and third positions in this edition, with London regaining a ranking place.
2. In the top 15 centres Asia Pacific leads with 8, N. America has 6, Europe has 1.
3. South Asia and Latin America do not feature in the table of the top 15 above.
4. India, despite its strong IT software industry, has no city featured in the table above. Mumbai drops 17 places to 49 from 32 six months ago and GIFT City-Gujarat is 76, down seven places from 69 six months ago. FinTech has yet to develop more deeply in India.

Most important elements in generating a competitive environment for FinTech providers:

- 15%: Access to finance
- 12%: An ecosystem or environment that encourages innovation
- 13%: ICT infrastructure
- 12%: Availability of skilled staff
- 12%: Regulatory environment
- 12%: Demand
- 9%: Cultural and lifestyle factors
- 7%: City reputation
- 8%: Tax rates

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100%

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Most important areas of FinTech activity:

- 16%: Payment transaction systems
- 15%: Big data analytics
- 15%: Cyber security
- 11%: Credit and risk modelling
- 10%: Trading platforms
- 8%: Cyber currencies
- 8%: Personal financial management
- 7%: InsureTech
- 5%: Distributed ledgers
- 5%: Peer-to-peer lending

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100%

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24 OCTOBER 2022: HAPPY DIWALI AND ALL GOOD WISHES FOR A PROSPEROUS NEW YEAR



A short background on Diwali ("the festival of lights" which is the Hindu New Year), on 24 October this year (follows the lunar calendar):

This is part of Hindu mythology and Diwali symbolises the conquest of good over evil, the triumph of light over darkness, and the victory of knowledge over ignorance.

Ravana, who had ten arms and ten heads, was the wicked king of the island of Lanka. He kidnapped the wife of Lord Rama.

After a great battle, Rama killed the demon and rescued his wife, Sita.

Rama's return with his wife, Sita, and his subsequent coronation as King is celebrated as Diwali. The people of the kingdom put little lamps (called "deepaks") outside their houses so that the new King and Queen could find their way home. Thus, the beginning of the tradition of the festival of lights.

Diwali symbolises the conquest of good over evil, the triumph of light over darkness, and the victory of knowledge over ignorance.

It is the start of the Hindu New Year and is celebrated as a family event.



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