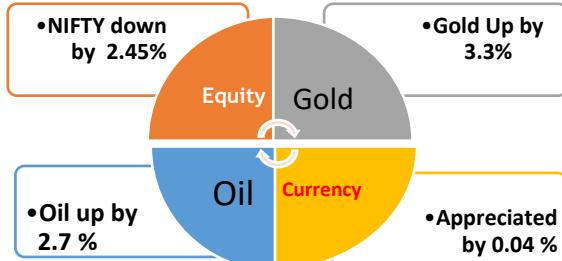


Highs & Lows of Key Market Indicators			
Indicators	High*	Low*	Average
USD/INR	90.28	89.88	90.10
India 10 Yr G-Sec Yield	6.64	6.61	6.63
US 10Yr T Bill	4.18	4.14	4.16
Crude Brent) \$/BL	62.62	60.31	61.49
Canara Bank	154.2	150.5	152.4

\*On the basis of closing figure

## Movement Over Previous Week

(On the basis of closing figure)



### Global

- Bloomberg reported that the U.S. trade deficit shrank to its smallest level since 2009 in Oct'25, narrowing 39% to USD 29.4 bn as imports fell 3.2% to USD 331.4 bn while exports rose 2.6% to USD 302.0 bn.
- Japan's service sector growth slowed in December, with the services PMI easing to 51.6 from 53.2, as softer domestic demand weighed on new orders despite a pickup in foreign demand.
- China's services activity expanded at a six-month low in December with the private PMI slipping to 52.0 from 52.1 in November, as softer new business and contracting export demand weighed on growth despite some improvement in business confidence.

### Domestic

- India has become the world's largest rice producer, surpassing China. The nation achieved this milestone with a total output of 150.18 million tonnes. Union Agriculture Minister released 184 new high-yielding seed varieties for 25 crops.
- India has launched a significant export support package worth ₹7,295 crore. The package includes an interest subvention scheme and collateral support. These measures will be implemented over six years, starting from 2025.
- India's economy is projected to grow by 7.4% in FY26, driven by increased investment and a manufacturing surge. This expansion is expected to push the nation's GDP beyond the \$4 trillion mark, supported by accommodative policies and favorable domestic conditions despite global uncertainties.

### Banking

- Bank credit growth outpaced deposit growth in Q3FY26. ICRA revised its FY26 credit growth projection to ₹19.5-21.0 trillion (10.7-11.5% YoY) from ₹19-20.5 trillion (10.4-11.3%) supported by improved demand post GST rate rationalisation and liquidity boosts via CRR cuts.
- RBI proposed a revised dividend framework allowing banks to distribute upto 75% of net profits, higher than the existing 40%, subject to meeting prescribed prudential norms for dividend declaration or profit remittance.
- RBI reported an improvement in the Data Quality Index for SCBs, with score rising to 90.7 in Sep'25, indicating better accuracy, timeliness, completeness and consistency, all banks scored above 80.

SBI has awarded a significant Rs 1000 crore, 10-year contract to CMS info systems. This deal covers cash outsourcing for 5,000 ATMs across India. The agreement will enhance cash efficiency and ATM uptime for millions of customers. The Project is set to begin in Jan 2026.

PNB is selling bad loans exceeding Rs 760 crore including significant exposures to Gammon India and Simbhaoli sugars. This follows a larger sale attempt last week of Rs 2500 crore in non-performing assets. The bank aims to recover at least 40-50% of the identified Rs 4000-5000 crore in bad loans.

Axis Finance launches Vyapar business loan. Vyapar business loan aims to empower micro and small entrepreneurs across the retail, service and trading segments by offering loans of up to ₹10 lakh, flexible tenures and zero collateral requirements.

### Peer's Signals Sensed

### Policy Moves

#### RBI

In a key relief, RBI has permitted existing related party transactions that are non-compliant with the new rules to continue until contractual maturity, provided there is no enhancement, renewal, repricing or change in terms.

#### GOVT

The Department of Posts (DoP) & the Ministry of Rural development (MoRD) signed a MOU to deepen collaboration in support of inclusive and sustainable rural development to strengthen "Dak Sewa, Jan Sewa" and reposition India post as a key driver of the rural economy. India Post Payments Bank (IPPB) will facilitate doorstep banking services, including savings, payments and remittances, through its digitally enabled platform.

### Event /News of the Week:

US' Proposed 500% Tariffs: Is India in the Crosshairs?

- ✓ In a dramatic escalation aimed at starving Russia's war machine, President Donald Trump has given the green light to: "Sanctioning Russia Act of 2025".
- ✓ If passed, it would mandate the US President to impose tariffs of at least 500% on all goods and services imported from any country that "knowingly" purchases Russian-origin energy products.
- ✓ India, one of Russia's top oil customers since the 2022 invasion, has already faced Trump's wrath in the form of 50% tariffs on Indian goods as a "penalty".
- ✓ Secondary measures could extend the pain to services (e.g., via taxes on US companies paying for Indian IT/BPO).
- ✓ 500% US Tariff Threat Could lead to "Trade Shutdown" for India's \$130+ billion Exports (goods \$86.5 billion + services \$43.7 billion) in 2025.