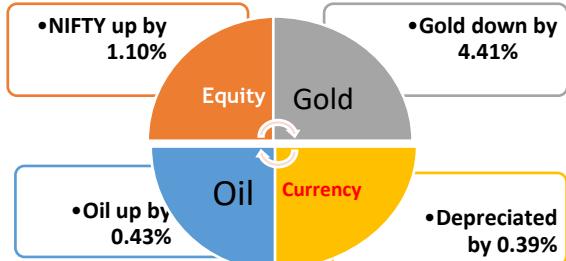


| Highs & Lows of Key Market Indicators | | | |
|---------------------------------------|-------|-------|---------|
| Indicators | High* | Low* | Average |
| USD/INR | 90.20 | 89.79 | 89.96 |
| India 10 Yr G-Sec Yield | 6.61 | 6.58 | 6.59 |
| US 10Yr T Bill | 4.20 | 4.11 | 4.14 |
| Crude Brent) \$/BL | 61.24 | 60.87 | 60.98 |
| Canara Bank | 154.9 | 150.9 | 153.8 |

*On the basis of closing figure

Movement Over Previous Week

(On the basis of closing figure)



Global

- Profit of China's industrial firms edged up 0.1% yoy to CNY 6.63 trillion in January-November 2025, notably easing from a 1.9% increase in the first ten months but still marking a fourth consecutive gain since August 2025.
- Japan's 10-year government bond yield fell to around 2.05% on the final trading day of the year, retreating from a near 27-year high reached last week amid growing concerns over the country's fiscal outlook.
- US, S&P 500 and Dow added 0.1%, closing at a record as strength in technology and energy offset caution tied to robust growth data.

Domestic

- India's industrial output surged 6.7% year-on-year in November 2025. Manufacturing, particularly basic metals, pharmaceuticals, and motor vehicles, drove this recovery. Mining also boosted, though electricity generation contracted slightly.
- India's fiscal deficit for April to November, was at Rs 9.76 lakh crore, equivalent to 62.3% of annual estimates, widening from the previous year's 52.5%. The government aims to narrow the fiscal gap to 4.4% of GDP in this financial year from 4.8% a year earlier.
- The government has notified final rules allowing 100% FDI in insurance sector, easing norms to attract global firms while retaining key Indian leadership oversight.

Banking

- PFRDA approved a framework allowing Scheduled Commercial Banks (SCBs) to independently sponsor and manage pension funds under the National Pension System (NPS).
- The finance ministry has identified select digital initiatives at Canara Bank, Bank of Maharashtra and SBI across PSBs to enhance efficiency through greater collaboration and shared utilities.
- As per RBI's Financial Stability Report, Banks' gross non performing asset ratio is projected to improve to 1.9% by March 2027 from 2.1% in September 2025 under the baseline scenario, reflecting sustained improvement in asset quality.

Bandhan Bank has sold a ₹3,212 crore microfinance non-performing loan portfolio to ARCIL for ₹578 crore. This sale followed a Swiss Challenge process. The bank also initiated a process to sell an additional ₹3,720 crore in loans. These actions come as the bank's asset quality faced pressure from the microfinance segment.

PNB has reported a borrowing fraud of Rs 2,434 crore to the Reserve Bank of India (RBI), involving the erstwhile promoters of SREI Equipment Finance (SEFL) and SREI Infrastructure Finance (SIFL).

Peer's Signals Sensed

Policy Moves

RBI

The RBI has eased prudential norms on capital adequacy for non-banking finance companies (NBFCs) giving loans to high-quality infrastructure projects, even as it has offered high degree of protection to the lenders under new amendment directions.

GOVT

The government has launched a Rs 4,531 crore market access support scheme to aid exporters in participating in international fairs and exhibitions. This initiative, part of a larger export promotion mission, aims to help businesses navigate challenges like steep US tariffs..

Event /News of the Week:

India Take over
Japan: Becomes
Fourth Largest
Economy

- India surpassed Japan to become the fourth-largest economy globally, with nominal GDP of \$ 4.18 trillion.
- This is supported by robust growth (RBI-upgraded FY2025-26 forecast to 7.3%), low inflation, and strong fundamentals like high forex reserves and export resilience.
- India is on track to potentially overtake Germany and become the third largest economy in the next 2.5-3 years, with GDP projected to reach \$7.3 trillion by 2030.
- As per Morgan Stanley, India overtakes Germany by 2028, while S&P Global and other agencies predict Indian economy to be third largest by 2030-2031.