

# Wrapping Up the Week..... (29.12.2025 -03.01.2026)

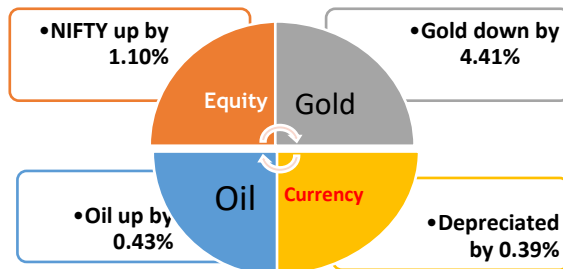
## Market Movers

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)



## News that Made News

### 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 PSB's 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.

## Macro Scenario

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 borrowal 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.