

WHAT'S NEW

International Developments

- The Federal Reserve raised its target federal funds rate to a range between 0.75%-1% in a unanimous decision, and Fed Chair Jerome Powell said policymakers were ready to approve 50 bps rate hikes at upcoming policy meetings in June and July while announcing the path of shrinking its balance sheet.
- The Bank of England raised the Bank Rate by 50 bps to 1%, the highest since 2009 while warning that Britain risks a double-whammy of a recession and inflation above 10%.
- The Reserve Bank of Australia raised the cash rate by 25 bps to 0.35%.
- The Reserve Bank of New Zealand's Monetary Policy Committee increased the Official Cash Rate (OCR) to 2.0%.
- The People's Bank of China cut the five-year loan prime rate (LPR) by 15 bps to 4.45%.
- Chair Jerome Powell underscored the Federal Reserve's determination to keep raising interest rates until it has brought inflation under control.
- The European Central Bank (ECB) policymakers expressed concerns in their last meeting over high inflation and agreed that a gradual normalisation of the monetary policy should continue.
- European Central Bank President Christine Lagarde hinted that the ECB could raise its interest rates from historic lows as early as July due to soaring inflation in the Eurozone.
- ECB President Christine Lagarde signaled exit from negative interest rates by the end of the third quarter.
- Minutes of the latest FOMC monetary policy meeting indicated the central bank would remain flexible and might pause rate hikes later in the year after aggressive hikes in upcoming meetings.
- Britain announced a \$19 billion stimulus package aimed at tackling the country's cost-of-living crisis.
- Real GDP in the US decreased at an annual rate of 1.50% in Q1:2022, following an increase of 6.90% in Q4:2021.
- Japan's economy shrank at an annualized rate of 1% in January-March 2022.
- The US trade deficit widened sharply to a record high of \$109.80 billion in

WHAT'S NEW

<p>International Developments</p>	<p>March 2022.</p> <ul style="list-style-type: none"> • China posted a trade surplus of \$51.12 billion in April. However, export growth slowed to 3.90%, the weakest in almost two years. • US consumer price inflation slowed slightly to 8.30% in April. • China's annual inflation rate accelerated to 2.10% in April 2022 from 1.50% in April, while producer price inflation eased to a 12-month low of 8.0%. • Annual inflation in Japan rose by 2.50% in April 2022, the most since October 2014. • Annual inflation in the UK jumped to 9% in April, the highest level since 1982. • Annual inflation rate in the euro area was revised slightly lower to 7.40% for April. • Annual inflation rate in Canada rose to 6.80% in April, the highest since January of 1991. • Foreign exchange reserves in China declined by \$68 billion in April to \$3.120 trillion. • IMF expects advanced economies to be back on track in terms of growth by 2024, but developing economies will be 5% below where they would have been otherwise. • The European Commission expects the GDP in the European Union to expand 2.70% this year and 2.30% in 2023.
<p>Indian Economy</p>	<ul style="list-style-type: none"> • As per provisional estimates, real GDP at Constant (2011-12) Prices in FY22 is estimated to attain a level of ₹147.36 lakh crore, as against the First Revised Estimate of ₹135.58 lakh crore for FY21. The growth in GDP during FY22 is estimated at 8.70% as compared to a contraction of 6.60% in FY21. • GDP at Constant (2011-12) Prices in Q4:FY22 is estimated at ₹40.78 lakh crore, as against ₹39.18 lakh crore in Q4:FY21, showing a growth of 4.10%. • India registered a fiscal deficit of ₹1586537 crore during FY22 which was 99.70% of the revised estimates of ₹1591089 crore for FY22. • India registered a fiscal deficit of ₹74846 crore during April 2022 which accounted for 4.50% of the budgeted estimates of ₹1661196 crore for FY23.

WHAT'S NEW

Indian Economy

- The gross GST revenue collected in the month of May 2022 was ₹140885 crore of which CGST is ₹25036 crore, SGST is ₹32001 crore, IGST is ₹73345 crore (including ₹37469 crore collected on import of goods) and cess is ₹10502 crore (including ₹931 crore collected on import of goods).
- India's merchandise exports in May 2022 were \$37.29 billion, an increase of 15.46% over \$32.30 billion in May 2021. Imports stood at \$60.62 billion, an increase of 56.14% over \$38.83 billion in May 2021. The trade deficit in May 2022 was \$23.33 billion.
- India's overall exports (Merchandise and Services combined) in April 2022 grew 38.90% over April 2021 to \$67.79 billion while overall imports grew 36.31% to \$75.87 billion. Overall trade deficit for April 2022 is estimated at \$8.08 billion.
- The Index of Industrial Production (IIP) expanded 1.90% in March 2022 against a growth of 24.20% in March 2021. IIP expanded 11.30% during FY22 as against a contraction of 8.40% in FY21.
- The eight core industries with a combined weight of 40.27% in the Index of Industrial Production (IIP) registered a growth of 8.40% in April 2022 (provisional) compared to growth of 62.60% in April 2021.
- Provisional annual inflation rates based on all India general CPI Rural, Urban and Combined for April 2022 on point to point basis stood at 8.38%, 7.09% and 7.79%. Inflation rates (final) for Rural, Urban and Combined for March 2022 are 7.66%, 6.12% and 6.95% respectively.
- The annual rate of inflation, based on monthly WPI, stood at 15.08% (provisional) for April 2022 as compared to 14.55% in March 2022. The final WPI for February 2022 stood at 13.43%.
- Year-on-year CPI-IW inflation based on all-items stood at 6.33% for April 2022 as compared to 5.35% for March 2022 and 5.14% in April 2021.
- Point to point rate of inflation based on the CPI-AL and CPI-RL stood at 6.44% & 6.67% in April 2022 compared to 6.09% & 6.33% respectively in March 2022 and 2.66% and 2.94% during April 2021.
- India's holding of US Treasury Securities at the end of March 2022 stood at \$198.80 billion vis-à-vis \$198.80 billion at the end of February 2022.

WHAT'S NEW

<p>Indian Economy</p>	<ul style="list-style-type: none"> • S&P Global India Manufacturing PMI stood at 54.6 in May compared to 54.7 in April. Services PMI at 58.9 in May, up from 57.9 in April. The Composite PMI in India rose to 58.3 in May from 57.6 in April. • The unemployment rate in India fell to 7.12% in May from 7.83% in April. Urban unemployment rate fell to 8.21% in April while the rural unemployment rate slipped to 6.62% as per CMIE data. • Assets Under Management (AUM) of Indian mutual fund industry as on May 31, 2022 stood at ₹37.22 lakh crore. • The Government of India released the entire amount of GST compensation payable to States up to May 31, 2022 by releasing an amount of ₹86912 crore. • Ministry of Finance released the 2nd monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of ₹7183.42 crore to 14 States taking the total amount released in FY23 to ₹14366.84 crore. • India recorded the highest ever annual FDI (foreign direct investment) inflow of \$83.57 billion in FY22. • FDI equity inflows into India contracted marginally by 1% to \$58.77 billion during FY22 while total FDI into India rose by 2% to \$83.57 billion. • Bilateral trade between the US and India stood at \$119.42 billion in FY22, making the US India's largest trading partner. India's trade deficit with China widened to \$72.90 billion in FY22. • India's services exports set a new record of \$254.40 billion in FY22. • The Centre reduced the excise duty on petrol by ₹8 per litre and on diesel by ₹6 per litre. • Finance Minister Nirmala Sitharaman said India's FY23 economic growth is likely to be robust at 8.90%, reflecting the country's strong resilience and speedy recovery. • IMF corrected an error in its calculations to now project that India would become a \$5-trillion economy by Fy27. • The UN Department of Economic and Social Affairs in its World Economic Situation and Prospects (WESP) report projected India to grow by 6.40% in 2022 due to higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment.
------------------------------	---

WHAT'S NEW

Indian Economy	<ul style="list-style-type: none"> • S&P Global Ratings cut India's FY23 growth projection to 7.30% from 7.80% earlier on rising inflation and the longer-than-expected Russia-Ukraine conflict. • Moody's expects India's real GDP to grow at 8.20% in FY23, the fastest expansion among G20 countries, partly reflecting ongoing base effects from pandemic-led disruptions. • Moody's Investors Service slashed India's economic growth projection to 8.80% for 2022 from 9.10%, citing high inflation. It also warned that prolonged high temperatures are credit negative for India.
Reserve Bank of India: (Source: http://rbi.org.in)	<ul style="list-style-type: none"> • The rate of interest on the Floating Rate Bonds, 2024 (FRB 2024) applicable for the half year May 7, 2022 to November 6, 2022 shall be 4.41% p.a.. • The Central Board of Directors of RBI approved the transfer of ₹30307 crore as surplus to the Central Government for FY22, while deciding to maintain the Contingency Risk Buffer at 5.50%. • RBI amended Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021 for reporting of reverse repos with RBI on the bank's balance sheet. • RBI clarified on new definition of Micro, Small and Medium Enterprises. • RBI notified on interoperable card-less cash withdrawal (ICCW) at ATMs. • The Regulations Review Authority (RRA 2.0) has recommended withdrawal of 225 circulars in the third tranche of recommendations. • The Regulations Review Authority (RRA 2.0) recommended withdrawal of an additional 239 circulars. • RBI constituted the Committee for review of customer service standards in RBI Regulated Entities. • RBI enhanced the ceiling on loans to individuals for carrying out repairs/additions/alterations to their dwelling units. • RBI amended guidelines for the Bharat Bill Payment System. • RBI announced decision on six applications received under Guidelines for 'on tap' Licensing of Universal Banks and Small Finance Banks.

WHAT'S NEW

<p>Reserve Bank of India: (Source: http://rbi.org.in)</p>	<ul style="list-style-type: none"> • RBI notified on review of minimum investment grade credit ratings for deposits of NBFCs. • RBI notified on lending by Commercial Banks to NBFCs and Small Finance Banks (SFBs) to NBFC-MFIs, for the purpose of on-lending to priority sectors. • RBI placed guidelines on import of gold by qualified jewellers as notified by the International Financial Services Centers Authority (IFSCA). • RBI allowed settlement of eligible trade transactions with Sri Lanka in Indian rupees outside the Asian Clearing Union (ACU) mechanism. • RBI launched the May 2022 round of Consumer Confidence Survey. • RBI launched the May 2022 round of the Inflation Expectations Survey of Households. • RBI released its Annual Report for the Year 2021-22. • RBI released Minutes of the Monetary Policy Committee Meeting, May 2 and 4, 2022. • RBI released quarterly statistics on deposits and credit of SCBs - March 2022. • RBI released the 38th half yearly report on management of foreign exchange reserves for October - March, 2021-22. • RBI released the data on overseas direct investment for April 2022. • RBI released the data on India's invisibles for third quarter (October - December) 2021-22. • RBI released the data on India's international trade in services for the month of March 2022. • RBI released the data on ECB/FCCB/RDB for March 2022. • RBI appointed Dr. Rajiv Ranjan and Dr. Sitikantha Pattanaik as new Executive Directors. • The 595th meeting of the Central Board of Directors of Reserve Bank of India was held on May 2, 2022.
<p>CCIL</p>	<ul style="list-style-type: none"> • CLS Segment saw the highest number of deals settled for a day with 8748 deals on May 31, 2022 (previous highest being 8315 deals on March 24, 2020).