

WHAT'S NEW

International Developments

- The European Central Bank lowered by 25 bps each, the deposit facility rate to 2.50%, the main refinancing rate to 2.65% and the marginal lending rate to 2.90%.
- Bank of Canada reduced its target for the overnight rate to 2.75%, signaling caution in the face of potential economic damage from US tariff policies.
- Bank of Japan Governor Kazuo Ueda said further monetary tightening will be considered if a surge in food prices triggers broader inflation.
- ECB President Christine Lagarde said established certainties about the international order have been upended, raising fundamental questions for monetary policy.
- China set its 2025 GDP growth target at around 5%. It set its deficit-to-GDP ratio for this year at around 4%.
- Chinese Premier Li Qiang's Government Work Report signaled a decisive shift from export-oriented to inward-looking economic policies.
- China unveiled plans to boost incomes, consumption and economic growth.
- Chinese financial regulators pledged to lower funding costs and open up fundraising options for the private sector.
- Japan is set to officially declare the end of long-term deflation, Economy Minister Ryosei Akazawa said.
- The US economy expanded an annualized 2.40% in Q4-2024.
- Japan's GDP for Q4-2024 was revised downwards to 2.20% from initial estimates of 2.80% growth.
- The US trade deficit in goods widened to a record \$153.30 billion in January 2025.
- China's trade surplus surged to \$170.52 billion in January-February 2025
- The annual consumer inflation rate in the US eased to 2.80% in February from 3.0% in January. US PPI showed no gain for the month.
- Chinese CPI declined an annualized 0.70% in February. The PPI declined an annualized 2.20% in February.
- The annual inflation rate in the Euro Area eased to 2.40% in February 2025.

WHAT'S NEW

<p>International Developments</p>	<ul style="list-style-type: none"> • Japan's core consumer inflation hit 3.0% in February. Producer prices in Japan increased an annualized 4.0% in February 2025. • Consumer price inflation in the UK fell to 2.80% in February. • Global debt (government and corporate) crossed \$100 trillion in 2024 as interest costs surged as per OECD. • China announced additional tariffs of 10%-15% on certain US imports. • The European Union will impose counter tariffs on US goods from next month in response to US tariffs on steel and aluminum. • The Canadian government announced a sweeping package of counter-tariffs against US-made products. • Germany loosened fiscal rules for defence and federal states' spending, creating a special fund to boost the country's infrastructure. • US President Donald Trump signed an executive order for establishing a Strategic Bitcoin Reserve. • OPEC+ announced an increase in oil production from April 2025. • The OECD trimmed back its 2025 growth projection from 3.30% to 3.10% over tariffs, uncertainty.
<p>Indian Economy</p>	<ul style="list-style-type: none"> • India registered a fiscal deficit of ₹177310 crore during February 2025. Fiscal deficit of ₹1346852 crore during April-February FY25 accounted for 85.80% of the revised estimates of ₹1569527 crore for FY25. • Gross GST collections rose to ₹1.96 lakh crore in March 2025. • The Index of Industrial Production (IIP) expanded 5.0% in January 2025 as against a growth of 4.20% in January 2024. IIP expanded 4.20% in April-January FY25. • The eight core industries with a combined weight of 40.27% in the Index of Industrial Production (IIP) grew 2.90% in February 2025 (provisional) compared to growth of 7.10% in February 2024. The core sector grew 4.40% in April-February FY25 as against 7.80% in April-February FY24.

Indian Economy

- India's overall exports (Merchandise and Services combined) in February 2025 grew 3.16% over February 2024 to \$71.95 billion while overall imports contracted 11.34% to \$67.52 billion. Overall, India saw a trade surplus of \$4.43 billion in February 2025.
- Provisional annual inflation rates based on all India general CPI Rural, Urban and Combined for February 2025 stood at 3.79%, 3.32% and 3.61% respectively. Inflation rates (final) for Rural, Urban and Combined for January 2025 were 4.59%, 3.87% and 4.26% respectively.
- The annual rate of inflation, based on monthly WPI, stood at 2.38% (provisional) for February 2025 as compared to 2.31% in January 2025. The final WPI for December 2024 stood at 2.57%.
- The year-on-year inflation rates based on CPI-AL and CPI-RL for February 2025 were recorded at 4.05% and 4.10% respectively, compared to 4.61% and 4.73% in January 2025.
- Year-on-year CPI-IW for the month of February 2025 stood at 2.59% as compared to 4.90% in February 2024.
- India's holding of US Treasury Securities at the end of January 2025 stood at \$225.70 billion vis-à-vis \$219.10 billion at the end of December 2024.
- HSBC India Manufacturing PMI rose to 58.1 in March from 56.3 in February. India's services PMI slowed to 58.5 in March compared with 59 in February. The Composite PMI rose to 59.5 in March 2025.
- The net direct tax collection grew 13.10% to about ₹21.27 lakh crore in FY25 up to March 16, 2025.
- Equity inflows through the FDI route declined 5.60% year-on-year to \$10.80 billion in Q3-FY25, as global uncertainties persisted.
- Indian corporates raised a record ₹3.71 lakh crore in FY25 through equity and debt.
- The rates of interest on various Small Savings Schemes were left unchanged for Q1-FY26.
- The government sought Parliament's approval of for a gross additional

Indian Economy

expenditure of ₹6.79 lakh crore through the second supplementary demand for grants involving a net cash outgo of ₹51463 crore.

- The Standing Committee on Finance called for the adoption of a comprehensive and coordinated approach to monitor and manage general government debt.
- Finance Minister Nirmala Sitharaman said the Centre is reducing high-cost debt which has resulted in bringing down the borrowing rates for the government as well as for states.
- CEA V. Anantha Nageswaran said India will revamp its model bilateral investment treaty framework to attract as well as protect foreign investments.
- Arvind Panagariya, Chairman of the 16th Finance Commission, said India can consider full capital account convertibility only when the per capita income reaches \$8000-\$10000.
- SEBI chief Tuhin Kanta Pandey said India needs both domestic and foreign investors to support growth.
- Data released by IMF shows India's GDP in current prices is expected to reach \$4.27 trillion by the end of 2025 from \$2.10 trillion in 2015, marking a 100% increase in ten years.
- OECD forecast India's economic growth at 6.40% FY25. It cut growth forecasts for FY26 and FY27 to 6.40% and 6.60% respectively.
- Moody's Ratings said its outlook for India's banking system is 'stable', "backed by sound economic growth and strong bank fundamentals".
- Fitch kept India's FY26 forecast unchanged at 6.50% while projecting a higher 6.30% growth for FY27, stating low reliance on external demand is expected to insulate India from US action on tariffs.
- S&P cut India's FY26 GDP growth forecast to 6.50% on account of external strains.
- As per Unctad, India's trade momentum remains strong despite global challenges.

Reserve Bank of India:
(Source:
<http://rbi.org.in>)

- RBI notified the meeting schedule of the Monetary Policy Committee for 2025-2026.
- RBI notified the indicative calendar for issuance of Government dated securities (including SGrBs) for an aggregate amount of ₹8 lakh crore in H1-FY26.
- RBI notified the calendar for issuance of Treasury Bills for Q1-FY26.
- The limit for Ways and Means Advances (WMA) will be ₹1.50 lakh crore for H1-FY26.
- Government of India issued the General Notification for sale and issue of Government of India Securities (including Treasury Bills and Cash Management Bills).
- RBI conducted OMO G-Sec purchase auctions and USD/INR Buy/Sell Swap auctions to manage liquidity conditions.
- The rate of interest on GOI FRB 2033 applicable for the half year March 22, 2025 to September 21, 2025 shall be 7.81% per annum.
- RBI allowed Standalone Primary Dealers (SPDs) to participate in all its Repo operations, irrespective of the tenor.
- RBI increased the aggregate limit made available to SPDs under the Standing Liquidity Facility at the prevailing repo rate to ₹15000 crore.
- RBI issued the revised guidelines on Priority Sector Lending (PSL) to be effective from April 1, 2025.
- RBI notified Master Directions – Reserve Bank of India (Priority Sector Lending - Targets and Classification) Directions, 2025; Reserve Bank of India (Prudential Norms on Capital Adequacy for Regional Rural Banks) Directions, 2025.
- RBI notified on priority sector lending certificates.
- RBI notified the amendment to Gold Monetization Scheme (GMS), 2015.
- RBI notified on treatment of Right-of-Use asset for regulatory capital purposes.
- RBI clarified on Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions, 2021.

WHAT'S NEW

Reserve Bank of India:
(Source:
<http://rbi.org.in>)

- RBI notified the revised overall PSL target for UCBs applicable FY2024-25 onwards.
- RBI notified on amortisation of additional pension liability in Regional Rural Banks.
- RBI released the data on India's international trade in services for the month of February 2025.
- RBI released the data on developments in India's Balance of Payments during Q3-FY25.
- RBI released the data on sources of variation in India's foreign exchange reserves during April-December 2024.
- RBI released the data on India's international investment position for December 2024.
- RBI released the data on sectoral deployment of bank credit for February 2025.
- RBI released the data on lending and deposit rates of Scheduled Commercial Banks for March 2025
- RBI released the data overseas direct investment for February 2025.
- RBI released the data on ECB/FCCB/RDB for January 2025.
- RBI released the data on Finances of Foreign Direct Investment Companies, FY24.
- RBI released highlights of IMF's latest India-FSSA report.
- RBI held a Conference for the large-sized NBFCs on March 28, 2025.
- RBI organized Annual Conference of the RBI Ombudsmen.
- RBI appointed Shri Indranil Bhattacharyya and Dr. Ajit Ratnakar Joshi as new Executive Directors.
- The RBI Governor held an interactive session with non-bank Payment System Operators, FinTechs, and industry associations.
- The 614th meeting of the Central Board of Directors of RBI was held in Thiruvananthapuram.
- RBI and Bank of Mauritius signed MoU to promote use of local currencies for bilateral transactions.

WHAT'S NEW

CCIL	<ul style="list-style-type: none">• CCIL successfully carried out the 37th cycle of portfolio compression exercise in the IRS market for MIBOR benchmark, achieving reduction in market-wide notional outstanding of ₹10.40 lakh crore.
------	---