ICMAI
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DAILY NEWS DIGEST BY BFSI BOARD

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US trade deficit widens 24% to $88.6 billion, largest since early 2025 on AI push: The US trade deficit widened sharply in July to the largest since early 2025, reflecting a surge in imports of computers and other technology equipment. The gap in goods and services trade grew 24.4% from the prior month to $88.6 billion, Commerce Department data showed Thursday. The value of imports increased 2.8% and exports fell 2.1%. The report showed an 11.4% surge in imports of capital goods — a category that includes computers and accessories, semiconductors and telecommunications equipment but excludes autos — the largest advance since 1993.
(Moneycontrol)

India-US trade deal to be finalised once Washington offers competitive tariff rate, says Goyal: India will finalise the proposed trade deal with the US once Washington is able to offer Indian exporters a competitive tariff rate compared with rival exporting countries, Commerce and Industry Minister Piyush Goyal said on September 3. “New Zealand FTA will kick in soon, thereafter EU FTA will get live. As soon as the US are able to give us a competitive rate in comparison to our competitors, we will finalise the BTA and announce the final details,” Goyal said. Goyal added that once these rates fall in place, Indian exporters would have no room left for excuses — competitiveness would then hinge purely on scale, quality, and the ability to deliver on time compared with rivals like Bangladesh and Vietnam.
(Moneycontrol)

GDP revision being misread, says MoSPI Secy: It is "unfortunate" that the revision in the estimate of last year's first-quarter GDP under the new national accounts series is being misinterpreted as an attempt to mechanically boost the current year's growth rate, said Statistics and Programme Implementation Secretary Saurabh Garg, asserting that the comparison being made by critics mixes different GDP series and current-price and constant-price numbers. World Bank Executive Director Neelkanth Mishra, meanwhile, described claims that Q1 growth was actually closer to 2.6 per cent as "ill-educated" and "egregiously wrong", arguing that independent high-frequency indicators corroborate the strength reflected in the official 7.8 per cent estimate.

(Business Line)

Reserve Bank of India faces about $11 billion bill on foreign deposits plan: India tapped its vast diaspora for a record $127 billion through a special deposit program, a fundraising bonanza that economists say could come with a hefty $10.6 billion bill for the country's central bank. The potential cost stems from the Reserve Bank's decision to shield banks from currency risk on the funds they raised overseas. In addition to the $127 billion raised through the so called Foreign Currency Non-Resident (Bank) plan, the RBI also attracted $9.15 billion from overseas foreign-currency debt and external commercial borrowings. That took the total inflows to $136.38 billion, exceeding the RBI's $80 billion estimate.

(Moneycontrol)

RBI meets banks as liquidity surplus nears Rs 10 lakh crore: The Reserve Bank of India (RBI) met top lenders on Thursday to discuss liquidity management after measures to mobilise dollars led to larger-than-expected inflows, according to sources close to the development. The meeting comes as surplus liquidity in the banking system has surged, pushing overnight borrowing costs significantly below the RBI's policy rate. At the meeting, lenders proposed using foreign exchange sell-buy swaps to gradually drain excess rupee liquidity from the banking system, Reuters reported, citing sources familiar with the discussions.

(Financial Express)

Banks offer semi-fixed loans to deploy surplus liquidity: Banks are deploying surplus liquidity through new mortgage products. HSBC and Kotak Mahindra Bank lead with semi-fixed home loan options. These products offer fixed rates for a period before switching. This strategy aims to protect lending margins amid interest rate uncertainty. Surplus funds are also being considered for government securities.

(Economic Times)

WhatsApp launches bill payments in India to tap into country's UPI craze: WhatsApp launched bill payments in India on September 3, 2026. This feature allows users to pay household and utility bills directly within the app. The service is powered by the Bharat Bill Payment System network. Users can access over 22,000 billers across 30 categories for payments. Meta India aims to make bill payments as effortless as sending a message.

(Economic Times)

Russian Sberbank works towards expansion in India: Russian banking giant Sberbank has purchased two business towers in New Delhi and plans to use the properties for a Russia-India trade and cooperation hub, it said at the Eastern Economic Forum in Vladivostok. Sberbank announced plans in June to open a Russian Business Center in New Delhi, saying it would offer Russian companies operating in India access to banking services as well as legal, tax, and audit support, RT reported on Thursday. The bank has operated in India for more than 15 years, with offices in New Delhi and Mumbai, and an IT hub in Bengaluru. It also has plans to expand its presence to ten Indian locations.

(Economic Times)

Banks Propose Forex Swaps to Absorb Surplus Liquidity: Indian banks have reportedly suggested that the RBI undertake foreign-exchange sell/buy swaps to withdraw surplus rupee liquidity gradually. Banks believe forex swaps would be less disruptive than increasing the Cash Reserve Ratio, which could adversely affect their margins. The proposed swaps may have maturities of up to one year and could also help the RBI manage its forward-dollar obligations. The central bank has not publicly commented on the proposal.
(Reuters)

SEBI Proposes Net Settlement Facility for Mutual Funds: The Securities and Exchange Board of India has proposed allowing mutual fund schemes to settle their cash-market transactions on a net basis. Under the proposal, purchases and sales across eligible transactions could be offset, reducing the amount of cash required for settlement. The reform is expected to improve operational efficiency and lower short-term funding requirements. It would extend to mutual funds a facility already available to foreign portfolio investors.
(Reuters)

Bharat Forge and Thales Sign Rocket-System Manufacturing Alliance: Kalyani Strategic Systems, the defence subsidiary of Bharat Forge, has signed an agreement with France’s Thales to manufacture advanced 70-mm rocket systems in India. Thales will provide technical expertise, while the Indian partner will undertake local production and testing. The rockets can be deployed from aerial, ground and naval platforms, including for counter-drone operations. The first fully assembled rocket is expected to be produced in India in early 2027.
(Reuters)

SEBI to review derivative settlement-price methodology after CAS rollout, consultation paper in a week: Market regulator Securities and Exchange Board of India (SEBI) is set to review the methodology for determining settlement prices of derivative contracts following the rollout of the Closing Auction Session (CAS) in the equity cash market, amid feedback from market participants on its impact on expiry-day settlements. SEBI introduced CAS in the equity cash segment from August 3, 2026, through its January 16, 2026 circular, for determining the closing price of securities. Under the framework, the closing price determined through CAS also serves as the basis for determining settlement prices of derivative contracts on expiry.
(Moneycontrol)

31-member parliamentary panel set up to examine FCRA Amendment Bill: A 31-member joint committee of the two Houses of Parliament was constituted on Thursday to examine the contentious Foreign Contribution (Regulation) Amendment Bill, 2026, with BJP’s Sanjay Jaiswal named as its chairperson. The panel, which was constituted by Lok Sabha Speaker Om Birla, has 21 members from the Lok Sabha and 10 from the Rajya Sabha.It comprises 14 members of BJP and five of Congress. It also has two members each from JD(U), TMC and DMK, and one member each from SP, IUML, Shiv Sena, NCP (SP), NCP and TDP.
(Moneycontrol)

Sebi's Demat 2.0 to debut next week with REC's tokenised bond pilot: SEBI is preparing to take a significant step towards tokenised finance, with the launch of Demat 2.0 planned for next week, a new framework to hold tokenised assets. According to people familiar with the developments, this may be a pilot launch involving the country’s first tokenised bond issuance. They added that the mechanism will use the central bank digital currency (CBDC), or digital rupee, issued by the Reserve Bank of India (RBI) for settlements, enabling faster transactions. The information technology and operations teams of both depositories in India are jointly working on Demat 2.0, sources added.

(Business Standard)

FINANCIAL TERMINOLOGY

TEMPORAL METHOD in currency translation

- The temporal method, also known as the historical method, converts the currency of a foreign subsidiary into the currency of the parent company. It ensures accurate profit and loss reporting when the subsidiary operates using a different functional currency from the local currency.
- The parent company's currency is often referred to as the 'functional currency,' which is the currency used for reporting and financial statements.
- Monetary assets and liabilities are translated using the exchange rate at the balance sheet date, while non-monetary items use historical rates.
- Exchange rate gains or losses affect the parent company’s net earnings, which can impact earnings volatility.
- Managing foreign currency translation effective can enhance a company's financial performance and stability.

RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 94.4688
INR / 1 GBP : 127.4246
INR / 1 EUR : 109.6137
INR /100 JPY: 60.0700

EQUITY MARKET

Sensex: 76152.86 (-417.49)
NIFTY: 23873.45 (-41.00)
Bnk NIFTY: 57380.60 (+208.60)

Courses Conducted by BFSI Board

- Certificate Course on Concurrent Audit of Banks
- Certificate Course on Credit Management of Banks
- Certificate Course on Investment Management
- Certificate Course on General Insurance
- Advance Certificate Course on FinTech
- Certificate Course on Project Financing
- Certificate Course on Cost Control Strategies in the Banking Sector
- Certificate Course on Treasury, Foreign Exchange and International Banking

Publications by BFSI Board

- Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition)
- Aide Memoire on Lending to MSME Sector (including restructuring of MSME Credit)
- BFSI Chronicle (quarterly issue of BFSIB)
- Handbook on Central Bank Digital Currency (CBDC)
- Monograph on Climate Risk and Green Finance-Banking Sector: International Practices and Indian Perspective (2nd Series)
- Guidance Note on Cost Control Strategies in the Banking Sector
- Expected Credit Loss (ECL) Framework – A Practical Handbook for Indian Banks
- Handbook on Restructuring of Bank Loans

For details, please visit the BFSIB portal on the ICMAI website.

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The Institute of Cost Accountants of India (ICMAI)