

## **DAILY NEWS DIGEST BY BESI BOARD**

21 May 2026



### **ECONOMY**

**RBI announces \$5 billion US Dollar/INR swap auction on May 26 to inject liquidity:** The Reserve Bank will conduct a USD 5 billion USD-INR buy and sell swap auction next week to inject long-term liquidity in the banking system. The auction, to be held on May 26, also comes at a time when the rupee has significantly depreciated against the American currency amid persisting global uncertainties. "On a review of current and evolving liquidity conditions, it has been decided to conduct a USD/INR Buy/Sell swap auction of USD 5 billion for a tenor of three years," the central bank said in a circular. The swap is in the nature of a simple buy/sell foreign exchange swap from the Reserve Bank side.

***(Moneycontrol)***

**IMF flags fiscal risks for India as oil prices rise:** As rising crude oil prices once again threaten India's inflation outlook and fiscal math, the International Monetary Fund has cautioned governments against relying on blanket fuel subsidies and price caps to shield consumers from the ongoing energy shock. In a policy note released amid escalating tensions in the Middle East, the IMF said governments should ensure that "domestic energy prices reflect international costs" while offering only "targeted, temporary support" to vulnerable households and viable small businesses. The warning comes at a critical time for India, which imports more than 80 per cent of its crude oil requirements. With fears of supply disruptions around Iran and the Strait of Hormuz pushing global crude prices sharply higher, economists are increasingly worried about the impact on India's current account deficit, inflation trajectory, and the rupee.

***(Business Today)***

**Core sector growth hits two-month high at 1.7% in April:** Production growth in eight core infrastructure sectors rose to a two-month high of 1.7 per cent in April, driven by higher output of steel, cement and electricity, according to government data released on Wednesday. These eight sectors expanded by 1 per cent in the same month last year. The pace of expansion was 1.2 per cent in March. Coal, crude oil, natural gas, refinery products, and fertiliser output recorded negative growth during the month under review. Core sectors account for 40.27 per cent of the Index of Industrial Production (IIP).

**(Business Line)**

**India and Italy to increase bilateral trade to €20 billion by 2029:** Prime Minister (PM) Narendra Modi concluded his visit to Italy, the final leg of his five-nation foreign tour, on Wednesday, with India and Italy committing to raising annual bilateral trade to €20 billion by 2029. Following talks between PM Modi and his Italian counterpart, Giorgia Meloni, in Rome, India and Italy announced 15 outcomes. These included an India-Italy defence industrial roadmap for cooperation in defence manufacturing, collaboration on critical minerals, a pact to facilitate the mobility of Indian nurses to Italy, and an agreement aimed at promoting India's marine exports to Italy. India-Italy bilateral trade stood at €14.25 billion in 2025. India's exports were valued at €8.55 billion, while Italian exports to India were recorded at €5.70 billion. Italy is India's fourth-largest trading partner in the European Union (EU) and has identified India as one of the priority countries under its global trade strategy. Italy is also home to the largest Indian diaspora in the EU, with 186,833 Indians living and working there. More than 5,100 Indian students are currently studying at Italian universities.

**(PiB/Business Standard)**

## **BANKING & FINANCE**



**Banks step up hiring of apprentices to cut costs, expand operations:** The hiring priorities of public sector banks are undergoing a structural shift with graduate apprentices emerging as a low-cost workforce, partly substituting the much-coveted

regular clerical positions. Data on recent recruitment trends show that banks are increasingly using apprentices to meet manpower requirements arising from the expansion of marketing, customer outreach and digital banking operations, resulting in substantial cost savings. Apprentices are paid a monthly stipend ranging between Rs.15,000 and Rs.20,000, depending on the place of posting. Of this, about Rs.4,500 per month is reimbursed to banks by the Centre. In contrast, a newly recruited clerk in a public sector bank, draws an initial monthly salary of over Rs.40,000, apart from allowances, medical benefits and retirement-linked benefits.

### ***(Business Line)***

**HDFC Bank announces 2-day WFH policy for businesses and corporate verticals:** HDFC Bank has rolled out a two-day work-from-home arrangement for employees in its Business and Corporate Enabling Functions, sources confirmed to [financialexpress.com](https://www.financialexpress.com). The bank is yet to make an official statement on the move. The arrangement has come into effect immediately and will continue for the next 30 days, after which it will be reviewed. The change will not impact branch employees or customer-facing operations. Banking services across the country will continue as normal without any disruption. With this decision, HDFC Bank is bringing back a limited form of hybrid work, but only for non-customer-facing roles and on a short-term trial basis.

### ***(Financial Express)***

**BHIM Payments App sees 300% growth in FY26 driven by cashbacks and user trust:** BHIM Payments App saw a significant 300% growth in FY26. Monthly transactions surged to 21.6 crore in March 2026. Cashback offers are a key growth driver. The app aims to expand to feature phones. NBSL is partnering with banks to embed BHIM technology into their mobile applications. This move will deepen the digital payment ecosystem across India.

### ***(Economic Times)***

**RBI proposes rules to let lenders disable phones for loan defaults:** The Reserve Bank of India is proposing to allow lenders to disable certain mobile phone functions for loan defaulters, specifically for devices financed by the loan. These restrictions, effective October 2026, will be tightly regulated, excluding essential services and

requiring a graduated approach. The RBI also introduced broader recovery conduct rules, including agent certification and data privacy mandates.

***(Economic Times)***

**IRDAI may ease norms for insurance cos to invest more in REITs, InvITs:** Insurers may soon see relaxed investment rules for real estate and infrastructure trusts. The regulator is considering a combined 6% exposure limit, up from the current 3% for each. Strong investor interest in recent infrastructure offerings, like the Raajmarg InvIT, has fueled demands for greater insurer participation in these long-duration yield assets.

***(Economic Times)***

## INDUSTRY OUTLOOK



**Irdai withholds variable pay of some insurers' CEOs over expense targets:** The performance-linked pay of the chief executives of some insurance companies has been withheld by the Insurance Regulatory and Development Authority of India (Irdai) after the insurers failed to meet the targets regarding the “expense of management” (EoM) or adhere to their glide paths, according to sources aware of the development. The action is based on the regulator’s insurers’ performance in FY25 and the trends seen in the opening quarters of FY26, followed by a review of the I in the first two months of 2026.

***(Business Standard)***

**SpaceX filing reveals \$4.28 billion loss, Elon Musk’s tight grip:** SpaceX filed publicly for what stands to be the largest-ever initial public offering, revealing billions in losses and the super-voting share plan allowing Elon Musk to keep the rocket, satellite and artificial intelligence giant under his control. The largest private company, led by the world’s richest person, is targeting as much as \$75 billion in its listing at a valuation of more than \$2 trillion, people familiar with the matter have said. That would eclipse the \$29.4 billion IPO record set by Saudi Aramco in 2019. SpaceX had a net loss of \$4.28 billion on revenue of \$4.69 billion for the first quarter, compared with a net loss of

\$528 million on revenue of about \$4 billion a year earlier, according to a filing Wednesday with the US Securities and Exchange Commission.

**(Moneycontrol)**

**Nvidia posts record quarterly revenue on AI boom, announces \$80 billion share buyback:** Nvidia, on Wednesday, reported record quarterly revenue of \$81.6 billion, beating Wall Street estimates as strong global demand for artificial intelligence chips continued to fuel growth. The results for the first quarter of fiscal 2027, which ended on April 26, marked an 85% increase from the same period last year and a 20% rise from the previous quarter. The world's most valuable company forecast revenue of \$91 billion, plus or minus 2%, for the current quarter, ahead of analysts' expectations of \$86.84 billion, according to LSEG data.

**(Business Standard)**



## REGULATION & DEVELOPMENT

**SEBI proposes payroll-linked MF SIP just like PF and NPS, donation too via mutual fund units:** SEBI, has floated a draft framework to permit certain forms of third-party payments in mutual funds, a significant move from the existing regime that requires investments to originate strictly from an investor's own bank account. The consultation paper, issued on Wednesday, proposes allowing employers, mutual fund companies, and even social contribution structures to participate in regulated third-party payment mechanisms, while ensuring anti-money laundering safeguards and investor protection norms. The proposals are part of SEBI's broader effort to modernize mutual fund operations and improve ease of investing without weakening compliance standards under the Prevention of Money Laundering Act (PMLA).

**(Business Today)**

**Pension regulator pitches for higher guaranteed pension under key scheme:** The Pension Fund Regulatory and Development Authority (PFRDA) is discussing with the government how to enhance the guaranteed pension offered under the Atal Pension

Yojana (APY), which currently provides a maximum monthly pension of Rs 5,000, chairman S Ramann said on Wednesday. Financial Services Secretary M. Nagaraju said the government would examine proposals emerging from stakeholders and subscribers. The subscriber base of the government's flagship social security scheme is expected to cross the 10-crore mark during the current financial year, driven by an 18% annual growth rate, Ramann said.

***(Financial Express)***

**Nabard survey shows only about third of rural households reported increase in come last year:** The impact of the West Asia war on rural households' sentiments has been evident with only 29.6% of households reporting an increase in income during the last one year, according to the latest survey conducted by the National Bank for Agriculture and Rural Development (Nabard). This represents the lowest level of people's reported rise in income since the survey commenced in September, 2024, the Nabard bio-monthly survey, titled 'Rural Economic Conditions and Sentiments' stated. In the November, 2025 round of survey, 42.2% of households (highest) reported an increase in income in the last one year.

***(Financial Express)***



# FINANCIAL TERMINOLOGY

## KNOWLEDGE ECONOMY

- The knowledge economy is an economy of products and services produced with human capital, knowledge, skills, and intellectual property, rather than physical assets such as land and physical labor.
- It refers to the ability to capitalize on scientific discoveries and applied research.
- The knowledge economy represents a large share of the activity in most highly developed economies.
- A significant component of its value might be intangible assets, such as the value of its workers' knowledge or of intellectual property such as patents and proprietary procedures.



### **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 : 96.8441

INR / 1 GBP : 129.7711

INR / 1 EUR : 112.3727

INR /100 JPY: 60.9400

### **EQUITY MARKET**

Sensex: 75318.39 (+117.54)

NIFTY: 23659.00 (+41.00)

Bnk NIFTY: 53562.20 (+153.05)

### **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

**For details please visit BFSIB  
portal of the ICMAI website.**

### **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).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)
- ❖ 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

## **TEAM BFSIB**

### **Banking, Financial Services & Insurance Board The Institute of Cost Accountants of India (ICMAI)**

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