
BANKING AND FINANCIAL AWARENESS MAY 2020: WEEK II

ATMANIRBHAR BHARAT ABHIYAN ECONOMIC PACKAGE

- Prime Minister Narendra Modi announced a special "Atmanirbhar Bharat Abhiyan economic package" while addressing the nation.
- Stressing on being vocal for local products in India, Modi said that the package is of Rs. 20 lakh crore which is 10 per cent of GDP of the country in this financial year.
- This package is for achieving economic self-reliance. The package aims to provide relief to MSMEs, laborers, street vendors, small traders, farmers and many more.

RBI EXTENDED INTEREST SUBSIDY SCHEME FOR EXPORTERS TILL 31 MARCH 2021

- The Reserve Bank of India has extended the interest subsidy scheme for exporters till 31 March 2021.
- This interest subsidy is provided on export credit both before and after shipment of goods to exporters.
- The subsidy scheme named as "Interest Equalization Scheme for pre and post shipment Rupee Export Credit" was ended on March 31, 2020.

FEDERAL BANK, MONEYGRAM JOINED HANDS FOR DIRECT BANK DEPOSITS IN INDIA

- Private sector Federal Bank and MoneyGram Payment System have joined hands to provide a facility for direct bank deposits to the customers.
- They have partnered to provide a way to get deposits directly into the bank accounts of customers in India.
- So, non-resident Indians can easily use the service for transferring money to India.

GOVERNMENT RAISES ITS MARKET BORROWING ESTIMATE FOR 2020-21 TO RS 12 LAKH CRORE

- The Indian government has raised its market borrowing limit for 2020-21 to Rs 12 lakh crore.
- Earlier, this market borrowing estimate was Rs 7.80 lakh crore. So, the government has increased the limit by Rs 4.2 lakh crore.
- This limit has been increased to deal with the current COVID-19 situation.

GOLDMAN SACHS AND NOMURA DECREASE THEIR FY21 GDP FORECASTS FOR INDIA

- American Investment Bank Goldman Sachs and Japanese Investment Bank Nomura have decreased their GDP growth forecasts for India for FY21.

- Nomura has decreased its GDP forecast for India to a negative 5 per cent (from -0.5 per cent forecast earlier) for 2020. However, it has increased its forecast for 2021 for the country to 7.9 per cent from 7.3 per cent earlier.
- Goldman Sachs also predicted that Indian economy will contract by 0.4 per cent in FY21.

FM NIRMALA SITHARAMAN LAUNCHES INR-USD FUTURES AND OPTIONS CONTRACTS AT TWO EXCHANGES

- Union Finance Minister NirmalaSitharaman launched the Rupee Derivatives (INR-USD) for two exchanges- NSE IFSC and BSE-India INX through video conferencing.
- NSE is the National Stock Exchange while BSE-India INX is India International Exchange Limited which was previously known as Bombay Stock Exchange.

STATE BANK OF INDIA CUTS BENCHMARK LENDING RATE BY 15 BPS

- State Bank of India (SBI) cuts its Marginal Cost of Funds based Lending Rate (MCLR) by 15 basis points (bps) across all tenors.
- It also reduced interest rates on retail term deposits by 20 bps for a tenor of up to three years.
- With the newly announced cut, the MCLR (Marginal Cost of Funds based Lending Rate) reduced to 7.25%, from 7.40% with effect from 10 of May.

