

Top Story 1

India Could Become World's 3rd Largest Economy This Year

In an exclusive conversation, a prominent global economic leader highlighted the current complex geopolitical landscape, drawing parallels to the most turbulent periods in modern history. Despite overall sluggish trends in global growth, certain economies are demonstrating remarkable resilience, driven by strong domestic fundamentals and key growth drivers. One such economy has emerged as a standout performer, recording an impressive 7.4% growth in the most recent quarter. It is now on track to become the world's third-largest economy, potentially reaching a \$5 trillion milestone by the end of the year. These developments reflect the economy's pivotal role in shaping the evolving global economic order. The expert's insights underscore a sense of cautious optimism, pointing to robust momentum in select regions that could help balance global uncertainties. This trajectory is seen as a beacon of progress amid a landscape marked by geopolitical disruptions and economic slowdowns in several parts of the world.

<https://www.businesstoday.in/amp/bt-tv/video/india-could-become-worlds-3rd-largest-economy-this-year-says-wefs-borge-brende-479584-2025-06-10>

Top Story 2

India's economic inflection point

An economy is on the brink of transitioning from lower to upper-middle income, moving from a per capita income of around \$2,800 to \$5,500 within the next few years. This leap marks more than just a numerical milestone—it signals a fundamental economic transformation. As income levels rise, consumption behaviors evolve, new industries take shape, and demand for quality and aspirational products intensifies. This shift unlocks vast opportunities for businesses and investors alike. Notably, many enterprises positioned to lead this new era remain in the private space. Investors are increasingly channeling funds through Alternative Investment Funds (AIFs) to gain early exposure to these future market leaders. The sharp rise in AIF assets under management reflects growing investor confidence and the expanding pool of investable capital. As this income evolution accelerates, the ecosystem is set to foster innovation, elevate living standards, and create a dynamic environment ripe with long-term growth potential.

<https://yourstory.com/2025/06/india-economic-inflection-point-a-call-to-build-the-next-generation-of-businesses>

Economy

Rise in repatriation reflects market maturity, says RBI Governor amid dip in net FDI

India continues to stand out as an attractive destination for foreign investment, with recent data reflecting both strength and maturity in its financial markets. Gross foreign direct investment (FDI) inflows rose by 14% to reach a significant milestone, highlighting sustained investor confidence. Although net FDI declined sharply compared to the previous year, this was primarily due to increased repatriation of funds and higher outward FDI by domestic firms. The rise in repatriation is viewed positively, indicating a well-functioning and mature market where foreign investors can smoothly enter and exit. Simultaneously, robust gross inflows underscore the enduring appeal of the economy as an investment hub. The external sector continues to demonstrate resilience, with improved key vulnerability indicators reinforcing confidence in its capacity to absorb global shocks. Overall, the data reflects a deepening capital market structure and growing trust among global investors in the country's long-term growth story.

[Rise in repatriation reflects market maturity, says RBI Governor amid dip in net FDI - The Economic Times](#)

Finance

Transmission faster this time:

India's monetary policy transmission has accelerated significantly, with lending and deposit rates already declining following recent rate cuts. According to central bank officials, this faster pass-through is attributed to proactive steps such as liquidity surplus management, cash reserve ratio (CRR) cuts, and frontloaded policy actions aimed at boosting credit flow in the economy. Typically, such changes take six to nine months to reflect in the market, but the current transmission occurred within four months of the initial rate cut. Data shows that average deposit rates have decreased by 27 basis points, while lending rates on outstanding credit have dropped by 17 basis points. Experts noted that higher demand for bonds relative to supply, combined with fiscal consolidation and expectations of liquidity infusion through open market operations, also contributed to quicker transmission. Overall, the central bank's consistent liquidity measures have supported improved credit flow, reflecting a positive shift in the financial landscape.

<https://www.financialexpress.com/policy/economy-transmission-faster-this-time-governor-3871374/>

Market

RBI's 50 bps rate cut surprise

In a surprising turn during the recent monetary policy announcement, the central bank implemented a larger-than-expected 50 basis point cut in interest rates, coupled with a reduction in the Cash Reserve Ratio (CRR). This dual action was aimed at lowering borrowing costs while ensuring ample liquidity within the financial system. The unexpected magnitude of the cut stood out, as most market participants had anticipated a more modest adjustment. The CRR cut, in particular, is seen as a move to support banks in managing revenue pressures while facilitating improved credit flow. However, the overall policy stance has now shifted to 'neutral', suggesting that further rate cuts may not be imminent. Despite inflation being under control and credit demand showing signs of revival, the policy tone reflects caution. While a few experts foresee room for additional easing, the general consensus leans towards a wait-and-watch approach, signaling a possible pause in the rate cycle ahead.

https://economictimes.indiatimes.com/news/economy/policy/rbis-50-bps-rate-cut-surprise-reserve-bank-of-india-two-economists-from-sbi-state-bank-of-india-and-piramal-who-beat-the-crowd-are-back-with-another-monetary-policy-call/articleshow/121691517.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Digitalization

Industries using AI as returns outweigh costs:

Some industries are witnessing strong returns on AI investments, driven by increased productivity, cost reduction, and enhanced automation, even amid challenging economic conditions. Businesses are realizing that tasks which previously required extensive time or expertise can now be accomplished more efficiently through AI. Reports indicate that every dollar invested in AI yields a 45% return, reinforcing the technology's value proposition. Organizations are highly cost-conscious, and the measurable gains from AI adoption are encouraging broader implementation across sectors. Multimodal and multilingual data capabilities further enhance the versatility and effectiveness of AI solutions. Companies are also engaging in proof of concepts and collaborative development to tailor AI applications for maximum ROI. Strategic partnerships, particularly with service-oriented firms, are enabling faster and more scalable adoption. With AI evolving rapidly, businesses are prioritizing collaboration to leverage specialized expertise and deliver advanced solutions to a diverse customer base. This momentum signals a robust and accelerating digital transformation across industries.

https://m.economictimes.com/tech/artificial-intelligence/enterprises-using-ai-as-returns-outweigh-costs-snowflake-executive/amp_articleshow/121737012.cms

Currency	09-Jun-2025 Rate	10-Jun-2025 Rate	Change	Index	09-Jun-2025 Value	10-Jun-2025 Value	Change2
USDINR	85.4984	85.5949	0.0965	NIFTY 50	25,104.25	25,104.25	0
EURINR	97.6625	97.613	-0.0495	BSE Sensex	82,469.51	82,391.72	-77.79 pts
GBPINR	115.9301	115.6153	-0.3148				
JPYINR	59.2400*	59.2400*	0				