

Orange in talks with Airtel

French telecoms group Orange entered into an exclusive agreement with Bharti Airtel about buying the Indian group's subsidiaries in four African countries. Orange said that the agreement covered Bharti Airtel's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone.

RBI gives banking licence to IDFC

IDFC Ltd(IDFC.NS) said on Friday the Reserve Bank of India had granted banking licence to the financial company IDFC Ltd(IDFC.NS), making it the second lender to enter the banking sector after more than a decade. Indian Microfinance Company Bandhan Financial Services and Mumbai-based IDFC were the only two companies to be granted preliminary bank permits last year. Yes Bank (YESB.NS) was the last bank to be set up, in 2004. The move to grant new permits marked the start of a cautious experiment to create more competition in a sector dominated by state lenders, many of which are reluctant to expand into rural areas or towns where banking penetration is low.

Australia's ANZ expands in India

Australia and New Zealand Banking Group (ANZ.AX) is expanding its presence in Northern India with the opening of a branch in Gurgaon to take advantage of growing trade and investment flows within the region. Australia's No. 3 lender, which is already present in Mumbai and Bengaluru, plans to open another site in outer Bengaluru. India's annual trade with Asia Pacific is worth around \$250 billion and it is the fourth largest destination for Australian exports

Nikkei buys Financial Times for \$1.3 billion

Established in 1884 and first printed on pink paper in 1893 to stand out from rivals, the FT has employed some of the leading figures in media and politics, including Robert Thomson, Chief Executive of News Corp, former British finance minister Nigel Lawson and Ed Balls, an adviser to former British Prime Minister Gordon Brown. Japanese media group Nikkei has agreed to buy the Financial Times from Britain's Pearson for \$1.3 billion, putting one of the world's premier business newspapers in the hands of a company influential at home but little known outside Japan. In the Financial Times it has acquired an authoritative global newspaper that commands strong loyalty from its readers and has coped better than others with the shift to online publishing. It was one of the first newspapers to successfully charge for access to its website.

Gold slides 1 percent to five-year low

Gold fell more than 1 percent to a five-year low as a bounce in the dollar fuelled downside momentum, with investors continuing to pull away from the metal after its dramatic slide earlier this week. A looming increase in U.S. interest rates, the first in nearly a decade, has diminished gold's appeal to investors, encouraging more sellers in the market after Monday's 3 percent rout, the biggest one-day drop since September 2013

"BRICS" bank launches in Shanghai, to work with AIIB

Officials from the world's largest emerging nations launched the New Development Bank (NDB) on 21st July 2015, the second of two new policy banks heavily backed by Beijing that are being pitched as alternatives to existing institutions such as the World Bank. Also known as the BRICS bank, it follows soon after the establishment of the China-led Asian Investment Infrastructure Bank (AIIB). The new bank will fund infrastructure and development projects in BRICS countries - Brazil, Russia, India, China and South Africa. The NDB has initial capital of \$50 billion, which will be expanded to \$100 billion within the next couple of years.

Greece reopens banks, starts repaying some debts

Greece reopened its banks and ordered billions of euros owed to international creditors to be repaid on Monday (20th July 15) in the first signs of a return to normal after last week's deal to agree a tough new package of bailout reforms. Increases in value added tax agreed under the bailout terms also took effect, with VAT on processed food and public transport jumping to 23 percent from 13 percent.

The stock market remained closed until further notice. The bank closures were the most visible sign of the crisis that took Greece to the brink of leaving the euro earlier this month, potentially undermining the foundations of the single European currency.

Limits on withdrawals will remain, however - at 420 euros per week instead of 60 euros per day previously -- and payments and wire transfers abroad will still not be possible, a situation German Chancellor Angela Merkel said on Sunday was "not a normal life" and warranted swift negotiations on a new bailout, expected to be worth up to 86 billion euros. Greeks will be able to deposit cheques but not cash, pay bills as well as have access to safety deposit boxes and withdraw money without an ATM card.

Topic Of the Week: delays in reforms slowing down India's economic growth

India's economic prospects have dimmed since April due to the government's inability to pass much-needed reforms, but the central bank will probably hold rates steady this year as inflation nudges up gradually. The Reserve Bank of India has already cut benchmark interest rates three times this year to 7.25 percent and eased credit conditions to boost loan growth and the broader economy, with limited success so far.

The economy is expected to expand 7.6 percent this fiscal year ending in April 2016, only slightly faster than 7.3 percent last year, according to the median forecast of 31 economists polled by Reuters. Growth is seen picking up to 8.2 percent next fiscal year. Growth forecasts were nudged down from April owing to concerns the government still faces substantial challenges in kick-starting a reform-driven growth cycle, stifling optimism engendered by Prime Minister Narendra Modi's election win over a year ago.

"However, a delay in the passage of crucial reforms, high financing costs and a stressed banking sector have hurt the government's plans."

India's parliament has just begun a session in which Modi is seeking to pass major legislation that would unite the whole country into one tax zone and make it easier for businesses to procure land.

Strong opposition from rival parties coupled with the ruling coalition's minority in the upper house, however, means it could prove difficult for any consensus to be reached. Slowing growth expectations may warrant calls for the RBI to ease policy again. But with its mandate to keep inflation below 6 percent over the medium-term, and consumer prices expected to rise 5.3 percent this year and 5.5 percent next, that is easier said than done. Monetary policy easing in India puts it out of step with the United States, the world's largest economy, where interest rates are expected to rise later this year, perhaps as early as September.

India's situation, however, is much better than emerging market peer Brazil, where the central bank has been jacking up interest rates to fight off high inflation even as the economy slips into a deepening recession.

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