

Daily Economic News Summary: 8 January 2019

1. Amazon Becomes Most Valuable Company, Inching Past Microsoft

Source: Financial Express ([Link](#))

Amazon.com Inc. surpassed Microsoft Corp. to become the world's largest public company on 7 January, in the latest example of the list of Wall Street's biggest names being reordered. Shares of the e-commerce company rose 3.4 percent, a rally that gave it a market capitalization of \$797 billion, according to Bloomberg data. While this is down from Amazon's record market cap, which topped \$1 trillion in September, it was enough to push it past Microsoft at \$789 billion. Shares of Microsoft, which claimed the title of the world's most valuable stock in November, rose 0.1 percent on 7 January. Such megacap technology and Internet stocks have been jockeying for the top spot for weeks, and Amazon briefly claimed the crown in early December.

2. Boost To Fisc: Rbi May Transfer Rs 30,000 Crore Interim Dividend To Government

Source: Financial Express ([Link](#))

The Reserve Bank of India (RBI) may transfer an interim dividend of over Rs 30,000 crore to the Centre this year, a source told FE. This will help a poll-bound government meet its FY19 fiscal deficit target of 3.3% of GDP at a time when goods and services tax and disinvestment revenues are expected to trail the budgeted goals. The RBI in August 2018 announced the transfer of Rs 50,000 crore to the Centre from its 2017-18 (July-June) surplus. Given that the amount included Rs 10,000 crore transferred in March as an interim measure to aid the Centre's effort to contain the FY18 fiscal deficit, the Centre will have only Rs 40,000 crore available for FY19, against the finance ministry's estimate of Rs 45,000 crore. The Centre's FY19 receipts budget includes Rs 54,817 crore as "dividend/surplus from RBI, public sector banks and financial institutions".

3. India Airport Privatisation Plan Draws Interest From Switzerland To Singapore

Source: Livemint ([Link](#))

International airport operators, including those of Zurich and Singapore's Changi airports, are evaluating India's privatisation plans for six airports, according to two people close to the development. Other overseas entities that have shown interest include German airport operator

Daily Economic News Summary: 8 January 2019

AviAlliance, US financial investor Global Infrastructure Partners (GIP) and Sydney-based investment manager AMP Capital, the people said, requesting anonymity. Among Indian companies, Anil Ambani's Reliance Infrastructure, the National Investment and Infrastructure Fund and Adani group, besides Indian airport operators GVK and GMR, are likely to participate in the bidding, said one of the two people cited above. Redevelopment of these airports may attract investments worth \$1.4 billion, according to Jagannarayan Padmanabhan, director and practice leader, transport and logistics, Crisil Infrastructure Advisory.

4. HDFC Is The Biggest Winner In Bandhan-Gruh Finance Merger

Source: [Livemint \(Link\)](#)

News of Bandhan Bank Ltd's purchase of Gruh Finance Ltd sent the former's shares crashing over 6% on 7 January. From Bandhan Bank's perspective, the merger share swap ratio of 2.84:5 is slightly better than what news reports had suggested. The dilution in its equity will be about 1.5% lower compared to a scenario where the share swap ratio was set at 3:5, which isn't much to celebrate. Investors are seeing this as a desperate attempt by Bandhan Bank to reduce its promoters' stake and meet the Reserve Bank of India's (RBI's) shareholding norms. If the deal materializes, Bandhan Bank's promoters will own 61% in the bank, down from 82.3% currently. It still needs to do more to reduce promoter holding to 40%, to meet RBI's rules.

5. Narendra Modi, Donald Trump Discuss Afghanistan, Trade Deficit Over Phone

Source: [Livemint \(Link\)](#)

Prime Minister Narendra Modi and US President Donald Trump discussed prospects for increasing cooperation in Afghanistan, the India-US strategic partnership, trade deficit, cooperation in defence, and security issues in a telephonic conversation late 7 January, according to statements from the two countries. The two leaders "expressed satisfaction at the progress in India-US strategic partnership in 2018. They appreciated developments such as the launch of the new 2+2 Dialogue mechanism and the first-ever Trilateral Summit of India, the US and Japan," said India in a statement.

6. Bharat Bandh: Banking Services To Get Disrupted Today As Psu Bank Employees Join Trade Unions Strike

Source: Financial Express ([Link](#))

Bank Strike: Banking services may get disrupted January 8-9 as a section of public sector bank employees have joined the massive two-day strike that has been called by central trade unions to protest against ‘anti-labour policies’ of the Narendra Modi-led government. It would be safer for bank customers, if possible, to postpone their bank-related work, as several public sector banks have issued advisory for the same. According to media reports, about 20 crore workers that are part of several trade unions, bank employee unions, farmers’ bodies and teachers’ associations are taking part in the two-day nationwide strike. In a filing to the BSE last week, IDBI said that the Bank Employees Federation of India and the All India Bank Employees Association (AIBEA) have informed Indian Banks’ Association (IBA) of the two-day nationwide strike on January 8-9, 2019.

7. India-Central Asian States To Hold 1st Ever Joint Meet On January 12-13 To Discuss Roadmap For Strategic Engagement

Source: The Economic Times ([Link](#))

India and five Central Asian states plan to host their first joint foreign ministerial meeting in the historic city of Samarkand in Uzbekistan on January 12 and 13 to explore new areas of strategic partnership as China makes inroads into the resource-rich region. Foreign minister Sushma Swaraj is expected to engage with her counterparts from Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan at the meeting, which was conceived as India emerges as a key stakeholder in the region with its entry into the Shanghai Cooperation Organisation in 2017, officials from the Central Asian states informed ET. The main task is expansion of cooperation and development of contacts in the political-diplomatic, trade-economic, scientific-technological and cultural-humanitarian spheres, according to a report in Turkmenistan state-run media.

8. Gita Gopinath Joins IMF As Its First Female Chief Economist

Source: The Economic Times ([Link](#))

Mysore-born Gita Gopinath has joined International Monetary Fund as its chief economist, becoming the first woman to occupy the top IMF post. Gopinath's joined last week at a time,

Daily Economic News Summary: 8 January 2019

when she believes the world is experiencing a retreat from globalisation, posing challenges to multilateral institutions. The John Zwaanstra professor of International Studies and Economics at Harvard University, Gopinath, 47, succeeds Maurice (Maury) Obstfeld as Economic Counsellor and Director of the IMF's Research Department. Obstfeld retired December 31. The 11th chief economist of the IMF, Gopinath in a recent interview to The Harvard Gazette described her appointment at the IMF as a "tremendous honour" and said the appointment of the first ever woman for this position speaks highly of IMF's Managing Director Lagarde.

9. Narendra Modi To Meet Heads Of Global Wealth Funds At Vibrant Gujarat Summit; To Woo Investors For Infra Projects

Source: Firstpost ([Link](#))

To woo investments for various infrastructure projects, Prime Minister Narendra Modi will hold talks with the heads of over two dozen global wealth funds during the forthcoming Vibrant Gujarat summit, said officials on 7 January. Modi will have a round table with heads of some global sovereign wealth funds, pension funds and institutional investors on the inaugural day of the three-day summit on 18 January, said additional chief secretary at the finance department Arvind Agarwal. As many as 27 global funds have confirmed their participation at the summit which will also be attended by Union finance minister Arun Jaitley and chief minister Vijay Rupani among others, he said. These global funds own and manage assets worth trillions of dollars and these funds invest heavily in large infra projects, he said, adding some of the funds which have confirmed participation include the Government Pension Investment Fund of Japan, International Finance Corporation, Japanese Bank for International Cooperation, Vanguard, and Asian Infrastructure Investment Bank, among others.