

From Director's Desk

In the economic survey 2024-25, released on January 31st, 2025, a table that caught my eye was that on market capitalization to nominal GDP.

Market capitalisation to nominal GDP ratio (%)							
	India	China	Brazil	Japan	South Korea	United Kingdom	United States
Dec 2019	77	60	65	121	89	106	158
Dec 2020	95	79	68	129	122	92	195
Dec 2021	113	80	50	136	127	108	206
Dec 2022	105	65	42	126	96	91	157
Dec 2023	124	61	44	147	114	71	179
Dec 2024	136	65	37	157	90	84	213

Economic survey 2024-25

Investment professionals know this ratio of market capitalization to GDP as the Buffet Indicator, named after the legendary investor Warren Buffet. From an interview he did with Fortune magazine in December, 2001, Buffet spoke of this ratio and said: "If the percentage relationship falls to the 70% or 80% level, buying stocks is likely to work very well for you. If the ratio approaches 200%, you are playing with fire." Investment managers look at this ratio to measure the overall valuation of the stock market.

In absolute terms, the ratio of 136 for India, as on Dec-24, could suggest that the stock market is slightly overvalued relative to the size of the economy. In relative terms, the steady rise of the Buffet Index, for India, from 77 in Dec-19 to 136 in Dec-24, indicates that the markets have become more expensive over the last five years. However, the steady rise without any serious fluctuations, indicates that the economic cycle has been stable. The steady increase in the index also suggests that investors are optimistic about India's future performance relative to India's economic growth. A cross-country comparison indicates that India is definitely among the more expensive markets but it also reflects the fact that the economy is more resilient and an expectation that growth in India will remain relatively high in comparison to the rest of the world.

Sashi Krishnan
Director, NISM

Macro Indicators	As On			% Change in last	
	31-01-25	31-01-24	31-01-22	1 year	3 years
Nifty	23508.4	21725.7	17339.85	8.2	35.5
Sensex	77500.5	71752.1	58014.1	8.01	33.5
Nifty P/E	19.3	19.5	24.7		
Sensex P/E	19.8	20.08	22.4		
RBI Rate (%)	6.5	6.5	4		
10 Yr G Sec (Gol) %	6.7	7.1	6.6		
INR USD	86.6	83.04	74.6	4.3	16.07
GST Collection (Rs lac cr)	1.96	1.72	1.3	12.3	50.7
GDP growth rate %	5.3	8.5	5.5		
Export growth rate % (yoy)	-0.99	3.1	27.9		
Import growth rate % (yoy)	4.8	2.9	25.07		
CPI %	5.2	5.1	6.01		
WPI %	2.3	0.33	13.6		
BSE Mkt Cap (Rs lac cr)	424	379	264	11.8	60.6
NSE Mkt Cap (Rs lac cr)	421	376	262	11.9	60.6
Indian Mutual Fund Industry's AUM (Rs lac cr)	68	54.19	38.9	25.4	74.8

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Congratulations!

Lucky winners of January 2025 Quiz

- Kirubhakaran Sundarrajan
- S. Nagappan Nair
- Murari Kumar

Win attractive
cash prizes by
answering simple
Quiz.

Details in inside
pages....



Highlights of Union Budget 2025-26

- No personal income tax payable upto income of Rs 12 lakh (i.e. average income of Rs 1 lakh per month other than special rate income such as capital gains) under the new regime.
- The FDI limit for the insurance sector to be raised from 74 to 100 per cent, for those companies which invest the entire premium in India.
- The investment and turnover limits for classification of all MSMEs to be enhanced to 2.5 and 2 times respectively.
- A National Manufacturing Mission covering small, medium and large industries for furthering "Make in India" announced
- The programme to be launched in partnership with the states, covering 100 districts with low productivity, moderate crop intensity and below-average credit parameters, to benefit 1.7 crore farmers.
- A comprehensive programme to promote production, efficient supplies, processing, and remunerative prices for farmers to be launched in partnership with states.
- A Makhana Board to be established to improve production, processing, value addition, and marketing of makhana.
- Government to bring a framework for sustainable harnessing of fisheries from Indian Exclusive Economic Zone and High Seas, with a special focus on the Andaman & Nicobar and Lakshadweep Islands.
- A scheme to create high-quality, unique, innovative, and sustainable toys, making India a global hub for toys announced.

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Financial Markets

RBI cuts repo rate by 25 basis points to 6.25%, a first in 5 years

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The Reserve Bank of India's (RBI) six-member Monetary Policy Committee (MPC) cut the repo rate – the rate at which the RBI lends to other banks – by 25 basis points to 6.25%. This is the first rate cut initiated by the RBI in five years, the last one being in May 2020. The repo rate, till now, stood at 6.5 per cent.

GST collections soar 12.3 per cent to ₹1.96 lac cr. in January

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GST collections in January, in gross terms, stood at ₹1.96 lac cr. with a yearly jump of 12.3%. In 2024-25 (April-January), the total GST collection has been 9.4 per cent higher at ₹18.29 lac cr. as against ₹16.71 lac cr. mopped up in the corresponding period of 2023-24.

UPI touches all-time high in January with 16.99 bn. transactions

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Transactions through UPI increased 1.5% in January to 16.99 bn. from 16.73 Bn a month back. On a year-on-year basis, the transaction count surged 39%. Transactions processed in January amounted to INR 23.48 bn., as against INR 23.25 bn. in December 2024. This was a 28% rise year on year.

India Services PMI stood at 56.8

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India Services PMI was at 56.8 in January 2025 from the highest reading in four months in December 2024 of 59.3. This marked the 42nd consecutive month of growth in services activity and the softest pace since November 2022, as outstanding business rose the least in 14 months.

India's factory activity growth hits a six-month high, January PMI at 57.7

India's factory activity showed robust growth at the start of 2025, reaching its fastest pace in six months in January, supported by resilient domestic and export demand. The PMI rose to 57.7 from 56.4 in December 2024, reflecting a solid expansion in manufacturing.

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India composite PMI stood at 56.8

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The India Composite PMI was at 57.9 in January of 2025 from a final 59.2 in December. It was the lowest print since January 2023 despite marking the 42nd month of increase in private sector activity and staying above its long-run average of 54.7. The service economy logged its slowest rise in over two years but factory activity saw the strongest gain in six months.

REGULATORY DEVELOPMENTS

SEBI mandates mutual funds to disclose IR for risk-adjusted returns of schemes

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SEBI has directed asset management companies (AMCs) to disclose the Information Ratio (IR) of equity-oriented mutual fund schemes daily, ensuring transparency in risk-adjusted returns. AMFI will publish the data in a machine-readable format.

SEBI: Format of Due Diligence Certificate to be given by the DTs

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SEBI amended the SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2021 ('NCS Regulations') inter alia specifying the format of Due diligence certificate to be submitted by the DTs in case of secured and unsecured debt securities. While Chapter II of Master Circular for DTs specifies the format for due diligence certificate in case of secured debt securities, it does not specify the same in case of unsecured debt securities.

RBI tightens norms for imposing penalty under payment systems law

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RBI has tightened regulations under the Payment and Settlement Systems Act to ensure compliance and enforcement actions. The revised framework allows for imposing higher penalties of up to Rs 10 lakh for contraventions and compounding offences, with additional fines for ongoing defaults.

SEBI allows safer participation of retail investors in algo trading

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SEBI facilitated the participation of retail investors in algorithmic trading (algo trading), which provides advantages of faster order execution and improved liquidity. At present, only institutional investors are allowed to put in algo trading, which provides significant advantages of timed and programmed order execution.

SECTORAL DEVELOPMENTS

India's power consumption growth at 3% to 137.49 bn units in Jan

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In January, India's power consumption rose by just 2.7% to 137.49 billion units due to reduced use of heating appliances amid warmer temperatures. The peak power demand also reached 237.30 GW. Above-normal temperatures and below-normal rainfall are predicted for February, indicating further subdued power demand.

Government explores launching deeptech fund of funds

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The government of India is exploring setting up a dedicated Fund of Funds (FoF) for DeepTech startups and companies to support the next generation of companies. around 10,000 fellowships will be provided in IITs and IISc for tech research, in the next 5 years.

Vehicle registrations rise 6.6% in Jan 2025, indicating sustained recovery [Read More](#)

Vehicle registrations in January increased by 6.6% to 2.29 million, indicating sustained consumer demand recovery across categories such as two-wheelers, passenger vehicles, and commercial vehicles. Factors like new model launches, better liquidity, and heavy discounts contributed to the growth, though challenges like rising interest rates and rural liquidity persist.

GLOBAL FINANCIAL DEVELOPMENTS

US agrees to pause tariffs on Canada and Mexico but not on China [Read More](#)

President Donald Trump has agreed to hold off imposing 25% tariffs on Canada and Mexico for 30 days, pulling the North American neighbours back from the brink of a potentially damaging trade war.

China launches limited tariffs after Trump imposes sweeping new levies [Read More](#)

China imposed targeted tariff on American imports and put several U.S. companies, including Google, on notice for possible sanctions, in a measured response to the sweeping duties on Chinese imports imposed by US President Donald Trump.

US Nonfarm Payrolls rise by 143,000 in January vs. 170,000 forecast [Read More](#)

Nonfarm Payrolls (NFP) in the US rose by 143,000 in January, the US Bureau of Labor Statistics (BLS) reported on Friday. This reading followed the 307,000 increase (revised from 256,000) recorded in December and came in below the market expectation of 170,000.

UK inflation rate falls to 2.5% in December 2024

UK inflation unexpectedly dipped in December, raising expectations of an interest rate cut preceding month. Prices rose 2.5% in the year to December, down from 2.6% the month before, marking the first fall in inflation for three months. UK borrowing costs, which have been rising in recent weeks, fell and the pound rose easing pressure [Read More](#)

US trade deficit widens nearly 25% in December 2024 [Read More](#)

The US trade deficit widened sharply at the end of 2024 on a surge in imports prior to the start of Donald Trump's second term as president and his follow-through on the promise of sweeping tariffs. The December shortfall in goods and services trade grew nearly 25% from the prior month to \$98.4 bn.

German exports rise, industrial production falls [Read More](#)

German exports rose in December while industrial output fell more than expected, suggesting the outlook for the euro zone's largest economy remains anything but rosy. Exports rose 2.9% compared with the previous month. Economists in a Reuters poll had forecast a 0.6% decrease. For all of 2024 exports contracted 1.0% compared with 2023 due to weak demand from China, following another contraction in 2023.



DEVELOPMENTS IN RELATED AREAS

Net FDI, FPI and FII data (2024-2025)

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FDI, FPI and FII data are out for ready reference in RBI Bulletin for January 2025 with estimates of latest months along with debt transactions of FDI enterprises – point 34 under Foreign Investment Inflows.

RBI raises real GDP growth forecast To 6.7% for 2025-26

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With inflation aligned to targets and fiscal prudence, the RBI projected 6.7% GDP growth for FY2025-26. Despite global uncertainties, the RBI emphasized liquidity management and regulatory changes, prioritizing growth while leaving room for further actions in future meetings.

NISM PROGRAMS

NISM Masterclass Series

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As part of its Investor Education initiatives, NISM has introduced a masterclass series featuring Industry experts in financial and Capital market fields. These sessions are designed to enhance the learning experience for both students and professionals. Each carefully curated, hour-long session aims to provide valuable insights and practical strategies to help both experienced and new investors make informed investment decisions.



Fostering Partnerships




Securities and Exchange Board of India (SEBI) emphasizes the need for a proficient workforce to maintain market efficiency and integrity. Ongoing global, technological, and regulatory shifts demand skilled and adaptable professionals who can navigate market complexities with unwavering commitment to compliance and ethics. In light of the evolving financial landscape, it is evident that enhancing the current academic curriculum offered by Higher Education Institutions can effectively prepare students with the specialized knowledge and practical skills to navigate the dynamic and regulated world of finance. The Financial Services Industry is facing critical shortage of skilled and job-ready professionals to keep pace with its rapid growth and expansion. NISM offers a range of certifications, e-learning, and other long-term programs designed to equip individuals with the necessary skills and updated knowledge to excel in the dynamic field of securities markets. We believe that our expertise in this area can be of great value to the institutions and their students. By collaborating with NISM, HEIs can fulfill the mission of promoting professional development and job readiness among students, while also reaping benefits such as improved job placements, higher rankings, and better admissions. We invite HEIs to explore this opportunity and engage in discussions on how we can work together.

NISM CERTIFICATIONS




NISM Series VII: Securities Operations and Risk Management Certification Examination: This examination seeks to create a common minimum knowledge benchmark as the requisite standard for associated persons of a registered stock-broker /trading member / clearing member in recognized stock exchanges, involved in (a) assets or funds of investor or clients (b) redressal of investor grievances, (c) internal control or risk management and (d) activities having a bearing on operational risk.



YOUR MONEY, YOUR FUTURE, OUR CALCULATOR.

Financial calculators are indispensable tools that help individuals and businesses make informed decisions about their finances. These financial calculators are user-friendly and provide detailed, accurate results, empowering users to make informed financial decisions.

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- Fixed Deposit Calculator
- Recurring Deposit Calculator
- Vehicle Loan Calculator
- Retirement Calculator
- EMI Calculator
- Lumpsum Calculator
- SIP Calculator
- Compounding Calculator
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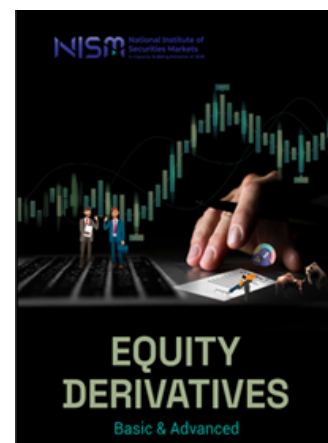
NISM e-LEARNING MODULES

Equity Derivatives (Basic & Advance)

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Basic: This course has been revised and updated with fresh content to enhance learners' foundational understanding of equity derivatives, covering essential concepts, trading strategies, and practical applications. The course takes about 4 hours to complete, is fully online, and includes quizzes and assessments with a certificate upon successful completion.

Advanced: This new course dives deeper into advanced derivatives strategies and complex option greeks, designed for professionals and learners aiming to expand their expertise in equity derivatives. The course takes about 5 hours to complete, is fully online, and includes quizzes and assessments with a certificate upon successful completion.



Interest Rate Derivatives

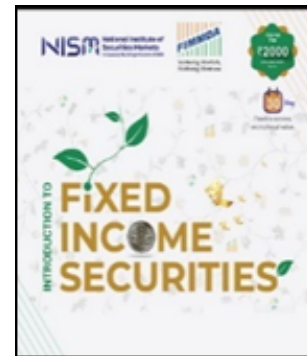
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Interest rate derivatives are F&O contracts used to trade or hedge against interest rate fluctuations. Introduction to Interest Rate Derivatives, is an eLearning course, co-branded by NISM and FIMMDA (The Fixed Income Money Market and Derivatives Association of India). This course offers an insightful journey into understanding the intricacies of this vital segment of the financial market. From exploring market overview to understanding trading and hedging strategies, this course equips you with essential knowledge to navigate the interest rate derivatives landscape effectively.

Fixed Income Securities

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Fixed income securities refer to a diverse range of investment instruments where investors lend money to an entity, such as governments or corporations, in exchange for regular interest payments over a period. Introduction to Fixed Income Securities, is a comprehensive eLearning course jointly developed by the National Institute of Securities Markets (NISM) and the Fixed Income Money Market and Derivatives Association of India (FIMMDA). This course is designed to provide a thorough understanding of the Indian fixed income securities market, types of fixed income securities, and the associated risks. Whether you're a seasoned professional or a student looking to enhance your knowledge, this course offers valuable insights into the world of fixed income securities.



Forensic Investigation- Level 1

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Interest rate derivatives are F&O contracts used to trade or hedge against interest rate fluctuations. Introduction to Interest Rate Derivatives, is an eLearning course, co-branded by NISM and FIMMDA (The Fixed Income Money Market and Derivatives Association of India). This course offers an insightful journey into understanding the intricacies of this vital segment of the financial market. From exploring market overview to understanding trading and hedging strategies, this course equips you with essential knowledge to navigate the interest rate derivatives landscape effectively.

Forensic Investigation- Level 2

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Overview of Indian Debt Markets

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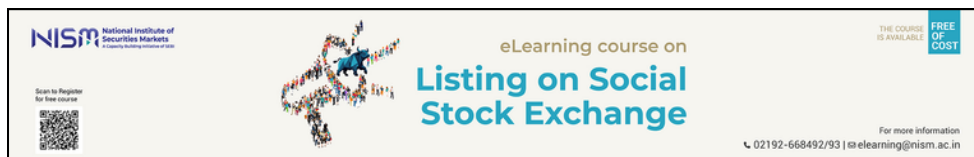

Debt Market is the market where fixed income securities of various types and features are issued and traded. Overview of Indian Debt Markets, is a comprehensive eLearning course jointly developed by the National Institute of Securities Markets (NISM) and the Fixed Income Money Market and Derivatives Association of India (FIMMDA). This course is designed to give a comprehensive understanding of the intricacies of Money Market, Government Debt Market, and Corporate Debt Market in India.

Municipal Bonds

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Municipal bonds are an innovative, yet underutilised, financing option for Indian municipalities and urban local bodies. To help bridge this gap, a comprehensive eLearning course has been prepared aimed at empowering municipalities with the knowledge and practical skills to leverage municipal bonds as a powerful tool for financing development projects.

Listing on Social Stock Exchange

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In India, social stock exchanges are emerging as a game-changing platform for organizations with a social impact mission. Our eLearning course, Listing on Social Stock Exchange, is designed to empower socially responsible organizations such as Not for Profit Organizations (NPOs) and For Profit Social Enterprise (FPEs) with the knowledge and tools they need to access these innovative markets. Whether you're a nonprofit, social enterprise, or a mission-driven business, this course will guide you step-by-step through the listing process and regulatory requirements to maximize your impact.

SME Listing and Compliance

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Take your financial knowledge to the next level with our "Financial Planning (Advanced)" eLearning course. Designed for individuals with an understanding of basic financial concepts, this course delves into advanced topics such as goal prioritization, application of time value of money, building retirement corpus, and regulatory framework for SEBI registered investment advisers. Led by experts in the field, this course challenges you to explore complex financial scenarios using case studies, equipping you with the tools to navigate intricate financial landscapes. Whether you are a seasoned investor or an investment adviser looking to enhance your expertise, this course provides advanced insights to elevate your financial planning skills.

AML for Insurance Professionals

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Effective Anti-Money Laundering (AML) practices are crucial in the insurance industry to prevent illegal activities like money laundering and financing terrorism. By implementing robust AML measures, insurance companies can not only contribute to a safer, more transparent industry, but also promote trust and confidence among clients and stakeholders. This course is designed to equip the insurance professionals with the essential knowledge and skills required to maintain the integrity of financial systems, ensure regulatory compliance, and safeguard their company's reputation.

Financial literacy Course for Bharat

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Financial literacy is a universal necessity for individuals seeking to enhance their financial acumen and secure their financial future. It is the cornerstone of sound financial decision-making. It encompasses understanding various financial instruments, managing finances effectively, planning for the future, assessing risks, and grasping the dynamics of the financial landscape.

NISM & CRISIL Certified ESG Risk Analyst (NCCERA)

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The intense spotlight on sustainability is leading to greater systematic scrutiny of environmental, social, and governance (ESG) aspects of businesses world over. Investors, looking beyond traditional market rate returns, are driving corporate leaders to redraw organisational strategy and increasingly focus on the 'triple bottom line'. These shifts have opened up great demand for professionals across industries with critical training in ESG analysis, sustainability practices and regulatory asks, hence, for credible ESG courses that impart these skills.

Answer questions of the quiz to win attractive prizes

NISM Newsletter Quiz

Three lucky winners who give all correct answers will be given Cash prizes of Rs. 1000/-# each!!!



Last date to participate is February 28, 2025

#Terms and condition apply.

NISM News

NISM & BCAS joint conclave on Alternative Investment Fund (AIF)



NISM and Bombay Chartered Accountants Society (BCAS) jointly organized a conclave on Alternative Investment Fund (AIF) on 17th & 18th January, 2025 at Hotel Ginger, Mumbai Airport. The keynote address was delivered by Shri Manoj Kumar, Executive Director, SEBI highlighting the critical role of AIFs in driving innovation and economic growth. He discussed recent regulatory developments, SEBI's focus on transparency and investor protection and the need for adopting best practices in the evolving AIF landscape. The 2-day conclave brought together industry leaders, professionals, service providers, regulators and experts to discuss the latest trends and challenges in the AIF sector. With insightful sessions, enriching discussions and valuable networking opportunities, participants explored innovative strategies and solutions to navigate the evolving landscape. The conclave concluded on a high note, reinforcing the importance of collaboration and knowledge sharing in shaping the future of AIFs. The programme was attended by 146 participants. On the sidelines of the conclave, a closed-door round table discussion was held on the challenges and gaps in the AIF ecosystem. The discussion was attended by Shri Rajesh Gujjar, CGM, SEBI, officials from BCAS and NISM, top leadership from 15 AIFs and legal experts. The insights and suggestions provided by the panelists were documented and will be presented to the regulators in the form of a white paper. Further, in one of the panel discussions on Key challenges for aspiring AIF Promoters wherein Ms. Aparna Thyagarajan, CGM, SEBI was one of the panelist. The panel addressed challenges faced by AIF promoters including fund raising, regulatory hurdles and market competition.

Webinar for educating prospective Investment Adviser (IA) Applicants

NISM in collaboration with SEBI, BSE and ARIA hosted a webinar for educating prospective Investment Adviser Applicants on January 29, 2025. Shri Jeevan Sonparote, CGM In-charge, SEBI and BSE official Ms. Meghana Kulkarni were the speakers. The webinar was aimed at educating and providing structured guidance to prospective IA applicants regarding the procedural requirements for registration with SEBI and BSE. The webinar provided valuable insights about detailed steps involved in the IA registration process including documentation, compliance expectations and timelines. The webinar also provided structure guidance about best practices to address common challenges and queries faced by prospective applicants during the registration process. Over 150 participants attended the event.

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