

# BIZ & BEYOND

## Breaking News

### The Campus Grapevine

1. Economic Fallout Caused By  
Israel Hamas Conflict Article  
by Kshitij Modak

## Global Market Watch: A Snapshot in Time

- The US markets exhibited a mixed performance today, with the S&P 500 and NASDAQ posting modest gains of 0.22% and 0.10% respectively. This suggests a degree of uncertainty among US investors. The Indian market experienced a starkly contrasting week, suffering one of its biggest falls in recent memory.
- Similarly, the Euro (EUR) and British Pound (GBP) depreciated against the INR by -1.34% and -1.50% respectively.
- Conversely, the USD appreciated marginally against the INR by 0.37%. This suggests a potential strengthening of the USD in the forex market.
- Gold prices saw a slight dip of -0.10%, indicating potential stability or a minor pullback in the precious metal market. In contrast, Silver demonstrated a positive movement, rising by 1.83%.

Index	Change	
Sensex	81,688.45	▼ -4.54%
Nifty50	25,014.60	▼ -4.43%
S&P 500	5,751.07	▲ 0.22%
NASDAQ	18,137.85	▲ 0.10%

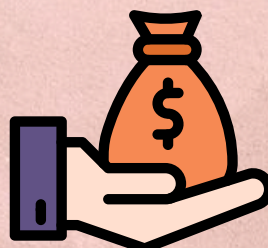
Currency	Change	
JPY/INR	0.57	▼ -3.39%
EUR/INR	92.28	▼ -1.34%
USD/INR	84.03	▲ 0.37%
GBP/INR	110.26	▼ -1.50%



Commodity	Change	
Gold(US\$/OZ)	2,652.32	▼ -0.10%
Silver(US\$/OZ)	32.20	▲ 1.83%
WTI Crude Oil	74.46	▲ 9.21%
Natural Gas	2.86	▼ -1.38%



Crypto	Change	
BTC	62,104.28	▼ -5.66%
ETH	2,423.65	▼ -9.93%
U\$DT	1.00	▲ 0.00%
BNB	563.59	▼ -7.23%



- Bitcoin (BTC) dropped by -5.66%, Ethereum (ETH) fell by -9.93%, and Binance Coin (BNB) plunged by -7.23%. This downward trend could be attributed to market correction, regulatory concerns, or a broader risk-off sentiment impacting the crypto space.



## Sebi board gives approval for new asset class, MF Lite regulations

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**New Asset Class:** Introduction of "Investment Strategies," a new high-risk asset class with a minimum investment of ₹10 lakh, aimed at sophisticated investors and bridging the gap between mutual funds and portfolio management service.

**Faster Rights Issues:** Reduced the timeframe for rights issues from 317 to 23 working days, enabling quicker capital raising for listed companies.



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### STPI shifts focus to tech startups, GCCs

After 30 years of supporting India's IT services sector, STPI is now prioritizing tech startups and Global Capability Centers (GCCs). This involves decentralizing the tech ecosystem and tapping into the potential of Tier-II and Tier-III cities. Providing affordable GPU services for AI, machine learning, and deep-tech startups. ESDS Software Solutions: Offering scalable cloud.



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## Merger in full swing: Air India group to introduce uniform crew policy

### Banks may reach out to govt on converting Vi dues into equity

Public sector banks in India are hesitant to provide fresh loans to Vodafone Idea (Vi) despite the telco's request for ₹35,000 crore. The banks are seeking assurance from the government that it will convert part of its dues from Vi into equity before considering. Vi's Debt: Vi has reduced its debt to banks and financial institutions, but still owes a substantial amount to the government ₹12,000 crore by March 2026 and ₹43,000 crore annually from FY

#### FUNDING HESITATION

**Funding needs:** Vi seeks ₹35,000 cr but faces reluctance from banks

**Debt reduction:** Its bank debt fell to ₹4,800 cr in Q1FY25

**Government dues:** Telco owes ₹12,000 cr by March 2026, ₹43,000 cr

annually from FY27

**AGR liability:** Vi's total debt is ₹2.09 trn, including ₹1.39 trn in spectrum payments

**Legal challenges:** SC rejected AGR curative petitions, impacting telecom liabilities

**Subscriber trends:** It lost 2.5 mn users last quarter



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## Merger in full swing: Air India group to introduce uniform crew policy

Air India Group is implementing a uniform crew policy across its three airlines — Air India, Vistara, and Air India Express — as part of its ongoing merger process. This move aims to create a unified entity with consistent policies for pilots and cabin crew. Other Policy Revisions: Changes are also expected regarding allowances, reimbursements, meal plans



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# Blackstone to raise \$10 bn with focus on India

## Blackstone to raise \$10 bn with focus on India

**Challenging China Environment:** China's economic slowdown, regulatory crackdown, and geopolitical tensions make it a less attractive investment destination. **Strong India Performance:** Private equity-backed deals in mainland China have declined, while Australia has become the largest market in Asia. This move by Blackstone highlights the growing importance of India as a key investment destination for private equity firms seeking opportunities in the Asia



Blackstone, the world's largest alternative asset manager, is raising its third Asia-focused private equity fund with a target of at least \$10 billion.

### Key Points:

- **India Focus:** The fund will primarily focus on India, with the largest capital allocation directed towards the country.
- **Exclusion:** China will not be a target market for this fund.
- **Key Markets:** Japan and Australia will be significant targets, with continued interest in South Korea and Singapore.
- **Flexibility:** The exact capital allocation may adjust based on macroeconomic

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## India's fiscal deficit for April-August at Rs 4.35 lakh crore, narrows to 27% of FY25 aim

### India's fiscal deficit for April-August at Rs 4.35 lakh crore, narrows to 27% of FY25 aim

India's fiscal deficit for April to August, or the first five months of this fiscal year, was at 4.35 lakh crore rupees, equivalent to 27% of annual estimates, narrowing from the previous year's 36%. The government aims to narrow the fiscal gap to 4.9% of GDP in this financial year from 5.6% a year earlier



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### Loans to industry, agri pick-up, while retail and services loans slow

Credit growth remained at 15% in August 2024 compared to last year. Lending to industry and agriculture accelerated, with industry credit growing 9.8% and agriculture at 17.7%. Credit to services and retail slowed, notably in NBFCs and vehicle loans, as per RBI data.



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# RBI's overseas reserves deployment income up 52% in June quarter



Gayatri Nayak The Reserve Bank of India (RBI) earned 52% more by deploying its reserves overseas in the June quarter thanks largely due to higher returns on treasury bonds and interest on deposits parked with other central banks. But rate cuts by the US Federal Reserve going ahead could trim these gains

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The Reserve Bank of India's income from reserve assets surged 52% to \$4.1 billion in the June quarter, driven by higher returns on bonds and deposits. However, US Federal Reserve rate cuts could affect these gains. Higher commission on dollar sales and valuation gains from gold prices contributed significantly. Income from reserve assets amounted to \$4.1 billion during the June quarter, compared with \$2.7 billion in the same period a year ago, showed the latest figures on the balance of payments.







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# Analyzing the Economic Fallout of the Israel-Hamas Conflict on Global Stability

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Article by Kshitij Modak

MBA FinTech-DB 2023-25 Batch

## Introduction

The ongoing conflict between Israel and Hamas is having serious effects not just on the local area but also on the global economy. As the war continues into its second year, the economic impacts are becoming clearer, with both Israeli and Palestinian economies facing significant downturns. Economic Impact on Israel Israel's economy has been severely affected since the fighting began. After the initial attacks on October 7, 2023, Israel's GDP dropped by 4.1%, with further declines of 1.1% and 1.4% in the following quarters. By mid-2024, experts estimate that the total cost of the war could reach \$67 billion, which adds up to a staggering \$400 billion in lost economic activity over the next ten years. Key reasons for this downturn include:

- **Labor Shortages:** The call-up of 300,000 reservists and restrictions on Palestinian workers have created labor shortages, especially in construction and agriculture. About 160,000 Palestinian workers have lost their jobs in Israel.
- **Decline in Consumer Spending:** Private spending fell by 27%, and business investment dropped by 67.8%.
- **Reduced Trade:** Exports fell by 18%, while imports dropped dramatically by 42%.
- **Increased Military Spending:** Government expenses rose by 88.1%, mainly due to military costs, putting more pressure on public finances.

As a result, around 60,000 Israeli businesses are expected to close due to labor shortages and reduced consumer confidence.



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**Economic Impact on Palestine** In contrast, the Palestinian territories are facing an economic disaster. Employment in Gaza has fallen by 61%, and the West Bank saw a decline of 24% between October and November 2023. By March 2024, unemployment reached a staggering 57%, leading to about 500,000 job losses across the territories. The humanitarian crisis is worsening because of:

- **Rising Poverty Levels:** An additional 300,000 Palestinians have fallen into poverty due to the conflict.
- **Destruction of Infrastructure:** The war has severely damaged essential infrastructure in Gaza, leading to an expected economic contraction of over 50% in 2024.
- **Dependence on Aid:** With trade nearly stopping, many Palestinians now rely heavily on humanitarian aid for survival.

**Global Economic Effects** The conflict's impact goes beyond Israel and Palestine, threatening global economic stability. Analysts warn that rising tensions could lead to higher oil prices and shipping costs, disrupting international trade. The International Monetary Fund (IMF) predicts slow growth for the Middle East at only 2.6% in 2024 due to uncertainties from the war. Additionally, as countries worldwide deal with inflation and supply chain issues worsened by conflicts in the Middle East, there are concerns that these problems could push the global economy into recession if regional conflicts escalate.



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## Conclusion

The Israel-Hamas conflict is not just a local issue; its economic effects ripple through global markets. Both sides are suffering significant losses—Israel is dealing with a shrinking economy while Palestine faces severe humanitarian crises. There is an urgent need for a sustainable resolution. Without intervention and peace efforts, both economies will struggle for years, potentially dragging down global economic prospects as well.

**"Faculty Editor: Mr. Suresh Kadam,  
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