

BIZ & BEYOND



Breaking News



The Campus Grapevine

- Understanding Credit Ratings Article by Shruti Gondkar
- Spooktacular

Global Market Watch: A Snapshot in Time

- Major cryptocurrencies like Bitcoin (BTC) and Ethereum (ETH) experienced sharp declines, while Tether (USDT) remained stable and Binance Coin (BNB) dropped over 4%.
- Currencies: The Indian Rupee (INR) weakened against major currencies like JPY, EUR, and GBP, but strengthened slightly against the US Dollar (USD).
- Commodities: Gold and crude oil prices surged notably, with natural gas experiencing a significant jump of over 13%. Silver remained relatively stable.
- The data suggests a mixed market sentiment. While commodities, particularly energy-related ones, witnessed strong gains, indices and cryptocurrencies faced downward pressure. The weakening of the INR against most major currencies (except USD) also points to potential concerns in the Indian market.

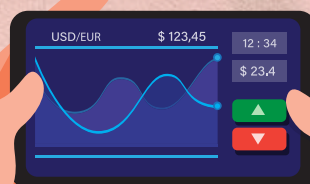
Index	Change
Sensex	79,402.29 ▼ -2.24%
Nifty50	24,180.80 ▼ -2.75%
S&P 500	5,808.12 ▼ -0.96%
NASDAQ	18,518.61 ▲ 0.16%

Currency	Change
JPY/INR	0.55 ▼ -1.79%
EUR/INR	90.79 ▼ -0.63%
USD/INR	84.10 ▲ 0.04%
GBP/INR	109.01 ▼ -0.66%



Commodity	Change
Gold(US\$/OZ)	2,746.86 ▲ 0.93%
Silver(US\$/OZ)	33.68 ▼ -0.09%
WTI Crude Oil	71.78 ▲ 3.56%
Natural Gas	2.56 ▲ 13.27%

Crypto	Change
BTC	66,687.72 ▼ -2.55%
ETH	2,440.18 ▼ -7.64%
USDT	1.00 ▲ 0.00%
BNB	574.99 ▼ -4.03%





Luxe automakers on top gear to woo buyers in upscale lounge ambience



Investing ₹365 crore to revamp 56 dealerships with its "Retail.NEXT" initiative

Luxury automakers like BMW, Mercedes-Benz, and Audi are enhancing their dealerships in India to offer a more premium and personalized experience, differentiating themselves from mass-market brands entering the luxury space. This involves incorporating digital tools, upscale amenities, and a focus on personalized service.



KEY POINTS

- Audi: Offering 360-degree product visualizers, augmented reality tools, a mobile app, and an expanding network of EV charging stations to enhance convenience and customer experience.
- These investments reflect the luxury automakers' strategy to elevate the car-buying journey, emphasizing personality.

- Mercedes-Benz: Spending ₹150 crore to upgrade 25 outlets with interactive spaces and omnichannel retail experiences. The "Retail of the Future" model emphasizes direct sales, transparent pricing, and a wider range of luxury merchandise. Franchise partners will invest in upgrading the remaining 100+ outlets.

More
Specifically



Meta Combatting Celebrity-Bait Scams

WazirX moved over \$73 million crypto after data breach: CoinSwitch

CoinSwitch, a rival cryptocurrency exchange, alleges that WazirX moved over \$73 million worth of cryptocurrency to other exchanges (Bybit and Kucoin) after a security breach that resulted in a \$230 million theft. WazirX, facing liabilities of \$546.5 million, has not denied the transfer but has criticized CoinSwitch for not providing similar transparency about its own reserves.



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UP IN THE AIR

\$72.13 mn Worth of crypto funds allegedly transferred to Bybit by WazirX

\$1.5 mn Crypto funds allegedly transferred to Kucoin

- CoinSwitch has investments in INR and virtual digital assets deposited with WazirX
- CoinSwitch CEO Ashish Singhal said company pursuing legal action against WazirX to recover funds
- It held ₹12.4 cr in INR, ₹28.7 cr in ERC20 tokens, and ₹39.9 cr in other tokens on WazirX
- WazirX had lost about 45 per cent of its crypto assets to a security breach



7 tips to spot scams and stay safe online

-  **Add an extra layer of protection with two-factor authentication.**
Turning on two factor authentication helps protect your account from hackers and keeps you safer from scammers.
-  **Keep your account secure with 'selfie verification'.**
In the event you've been locked out of your account, we make sure only you can regain access by taking a selfie to verify your identity.
-  **Stay wary of scams that pretend to be government websites.**
Be on the alert for scam websites that mimic official government pages to steal personal data or payments.
-  **Verify the source of unbelievable deals and don't be rushed.**
Financial scammers steal money by luring you in with unbelievable deals.
-  **Look out for fake celebrity ads.**
Scammers use celebrity images to deceive you into clicking on suspicious links to steal your personal info.
-  **Beware of romance scams that use fake profiles to ask for money.**
Scammers create convincing fake identities to build trust. Don't send money or details to anyone you haven't met.
-  **Watch out for retail scams that mimic trusted brands.**
Scammers impersonate businesses to take your personal info. To stay safe, check messages for bad spelling, fake brands or crazy deals.

Celeb-bait ads make Meta turn to facial recognition tech to combat scams.

Meta is reintroducing facial recognition technology (FRT) on Facebook and Instagram to combat celebrity-bait scams and improve account recovery. This comes after a previous discontinuation of FRT in 2021 due to evolving regulations. FRT will compare faces in suspected scam ads with celebrities' profile pictures. If a match is found, the ad will be blocked. This real-time process is touted as faster and more accurate than manual reviews.

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Nvidia, Reliance Industries join forces to build AI computing infra



Nvidia and Reliance Industries have partnered to develop and deploy a large-scale AI computing infrastructure in India. Nvidia CEO Jensen Huang emphasized India's potential to become a global leader in AI, urging the country to focus on "manufacturing" AI rather than solely on semiconductor fabrication.

- **AI Infrastructure:** Nvidia will supply its advanced AI processors, including the upcoming Blackwell and Hopper chips, to power Reliance's data centers and support other large-scale AI projects in India.
- **Collaboration with Indian IT Firms:** Nvidia will work with Infosys, TCS, Wipro, and Tech Mahindra to develop and implement AI solutions using Nvidia's enterprise platform. Tech Mahindra will also leverage Nvidia's Hindi-language AI model.
- **"Intelligence Revolution":** Reliance's Mukesh Ambani expressed his vision for India to lead the "Intelligence Revolution," emphasizing the country's demographic advantage and potential to harness AI for prosperity and global impact.

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This partnership between Nvidia and Reliance Industries represents a significant push for AI development in India, leveraging both companies' strengths to create a robust AI ecosystem. Huang's emphasis on "manufacturing AI" and his optimism about India's IT sector's potential highlight the growing importance of AI in the global technology.

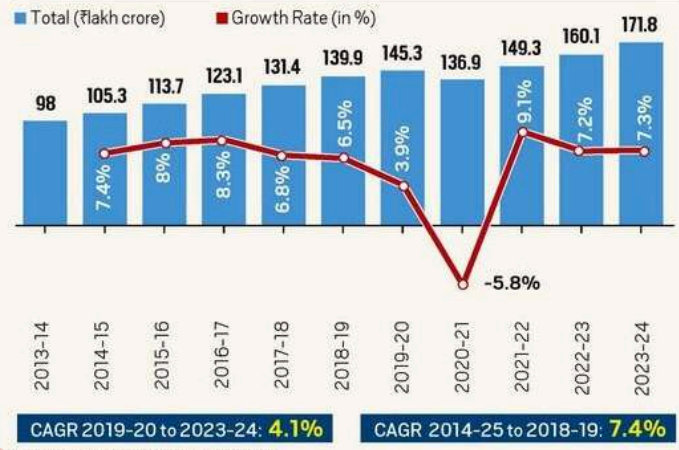
Inter-state disparity in terms of revenue receipt remains huge: Report



Inter-state disparity in terms of revenue receipt remains huge: Report

Revenue disparity among Indian states remains notable. While some states like Telangana, Karnataka, Jharkhand, and Uttar Pradesh project higher revenue in FY25, others show minimal growth or contraction. India's overall revenue to GDP ratio is lower than other emerging markets, but improvements in revenue collection are observed.

INDIA'S REAL GROSS DOMESTIC PRODUCT (Absolute level and Annual Growth Rate)



On the other hand, several states, particularly in the eastern and northern regions of India, are showing signs of slower revenue growth. States like Himachal Pradesh, Meghalaya, Assam, and Mizoram have either budgeted a contraction or minimal growth in their revenue receipts when compared to the revised estimates of FY24.



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Challenges to India's Industrial Investment

Cash transactions decline rapidly in India as digital payments surge: RBI economist

In the last three years, digital transactions have surged in such a fashion in India that cash usage, which still accounts for 60 per cent of consumer expenditure (as of March 2024) is rapidly declining, according to a paper by the Reserve Bank of India (RBI) economist.



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Is there a chink in India's industrial armour?

Nagesh Kumar, a new MPC member, attributes the sluggish private investment in India to weak demand both domestically and globally. Despite strong macroeconomic fundamentals and government reforms, private sector investment remains stagnant. The pandemic-induced supply chain restructuring presents an opportunity for attracting foreign investments, but improving the investment climate is crucial.



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Indian airlines

Safety fears rise for Indian airlines as over 70 flights get bomb threats

Over 70 flights operated by Indian airlines received bomb threats on Thursday, bringing the total to nearly 250 flights threatened in just over 10 days, raising significant safety concerns. Government Response the Ministry of Electronics and IT criticized X (formerly Twitter) for allegedly facilitating the spread of false alarms and potentially "abetting crime." A meeting was held with social media companies and airlines to address the issue.

- **Minister's Warning: Civil Aviation**
Minister K. Rammohan Naidu assured the public of the government's commitment to passenger safety and warned of severe penalties, including a no-fly list, for those responsible for hoax threats.
- **Legal Changes Considered:** The government is exploring amendments to aviation safety laws to allow legal action for crimes committed on the ground, expanding the scope of existing regulation



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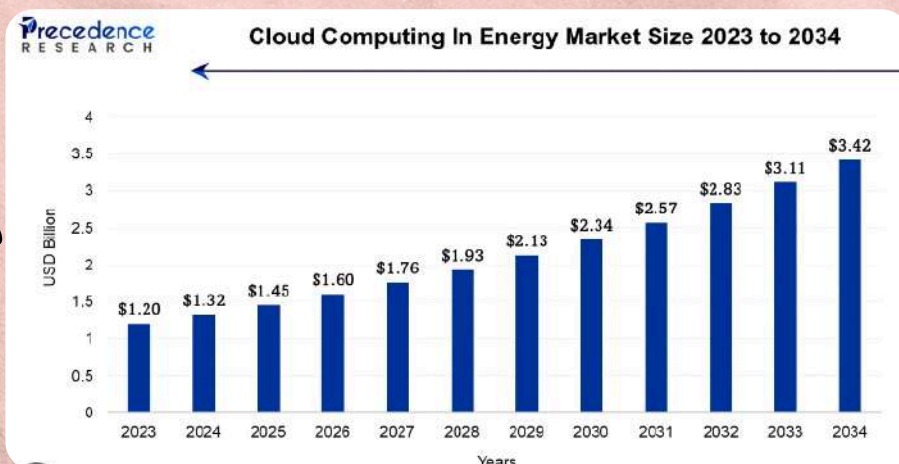


2025 Forecast: Energy woes loom, but big gains for auto, healthcare and more



Geopolitical tensions will challenge the energy sector, but consumer goods, automotive and healthcare sectors are expected to grow in 2025. Fossil fuel markets face risks, while renewable energy investments remain strong. Financial sector sees mixed outlook with regulatory easing. Retail volumes will grow, stricter online retail regulations will be enforced, and the automotive sector will see record new-vehicle sales.

In technology, more countries are likely to adopt satellite internet, primarily for enterprise clients, such as the military and maritime sectors. Amazon's Project Kuiper is expected to challenge the current dominance of Starlink and Eutelsat OneWeb, introducing more competition and growth potential in satellite connectivity. Investment in technology and artificial intelligence will remain strong, supported by government incentives and flexible supply chain strategies. However, technology companies will face increasing pressures from tighter regulations, particularly in Europe, impatient investors, and scrutiny over their energy usage.



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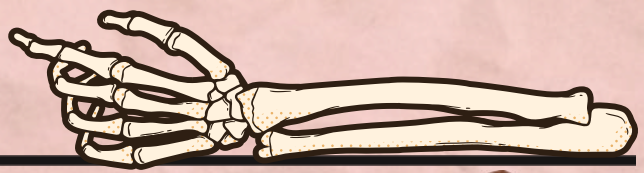


RBI actions this week



Date	Action	Details
October 21, 2024	Release of Financial Stability Report	The RBI published its Financial Stability Report assessing risks to the financial system and outlining measures to enhance stability.
October 22, 2024	Daily Money Market Operations Report	A report was issued detailing the money market operations for the previous day, showing trends in call money and term money transactions.
October 23, 2024	Press Release on Liquidity Adjustment Facility (LAF)	The RBI released the results of the LAF operations conducted on October 22, indicating a net liquidity injection into the banking system.
October 24, 2024	Monetary Policy Review Announcement	The RBI announced its quarterly monetary policy review, maintaining the repo rate at 6.00% to support economic growth while managing inflation.
October 25, 2024	Weekly Statistical Supplement Release	The Reserve Bank of India published its weekly statistical supplement, detailing the balance sheet and market developments as of October 25, 2024. This includes key indicators from financial, commodity, and bullion markets.





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Understanding Credit Ratings: Insights into Individual, Corporate, and National Assessment

Article by Shruti Gondkar

MBA FinTech-DB 2023-25 Batch




Introduction

This article explores the various dimensions of credit ratings, including their history, the different types of ratings, and their significance at individual, corporate, and national levels. We'll also examine the controversies surrounding credit rating agencies, the lessons learned from financial crises, and the evolving future of credit assessments in a world increasingly influenced by technology and sustainability concerns. Understanding credit ratings provides key insights into the workings of modern finance, where risk, trust, and transparency are intertwined in shaping global economic activities.

Credit ratings play a fundamental role in the global financial system, serving as a trusted benchmark to assess the creditworthiness of individuals, corporations, and nations. These ratings determine the likelihood that a borrower—whether it's a person taking out a mortgage, a company issuing bonds, or a country borrowing to fund its infrastructure—will repay its debts on time. From everyday loans to large-scale sovereign debt, credit ratings impact borrowing costs, investment decisions, and economic stability.





Understanding Credit Ratings: Insights into Individual, Corporate, and National Assessment

The Origins of Credit Ratings

The concept of credit ratings originated in the 19th century in the US, with John Moody, founder of Moody's, publishing the first publicly available credit rating system in 1909 to facilitate borrowing and provide investors with information about railroad bonds' financial stability.

Credit rating agencies (CRAs) like Standard & Poor's (S&P), Fitch Ratings, and Moody's dominated the industry throughout the 20th century. Their influence expanded beyond the U.S., and today they assess the creditworthiness of governments, corporations, and financial instruments across the globe. These agencies became indispensable as they provided a systematic way to assess risk, ensuring that global capital markets could function more efficiently.

Types of Credit Ratings

Credit ratings are generally classified into three broad categories:

- **Individual Credit Ratings:** Creditworthiness ratings are based on a person's credit history and financial situation. In India, CIBIL issues personal credit scores ranging from 300 to 900, with scores above 750 considered excellent.



Understanding Credit Ratings: Insights into Individual, Corporate, and National Assessment

- **Corporate Credit Ratings:** Corporate ratings assess a company's credit health, considering financial statements, debt levels, industry position, and future growth prospects. Higher ratings indicate less default risk, making the company more attractive to investors.

MOODY'S	S&P	FITCH	DESCRIPTIONS	GRADE
Aaa	AAA	AAA	Highest credit quality, minimum credit risk	 INVESTMENT
Aa	AA	AA	Very high credit quality, very low credit risk	
A	A	A	High credit quality, low credit risk	
Baa	BBB	BBB	Good credit quality, moderate credit risk	
Ba	BB	BB	Issuer faces adverse conditions and uncertainty, substantial credit risk	 HIGH YIELD (or "Junk")
B	B	B	High credit risk, issuer able to meet financial commitments	
Caa	CCC	CCC	Vulnerable and default likely	
Ca	CC	CC	Issuer is highly vulnerable or near default	
C	C	C	Lower ratings, issuer in default	
	D	RD	Lower ratings, issuer in default	
		D	Lower ratings, issuer in default	



Understanding Credit Ratings:

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- **Sovereign Credit Ratings:** Sovereign ratings, assigned by agencies like S&P, Moody's, and Fitch, evaluate a country's creditworthiness and its ability to borrow from international markets. Factors like political stability, economic policies, debt levels, and overall economic performance influence them. India currently holds a BBB-rating, reflecting a stable economy but high debt levels.

No	S&P	Moody's	Fitch	Meaning and Color
1	AAA	Aaa	AAA	Prime
2	AA+	Aa1	AA+	High Grade
3	AA	Aa2	AA	
4	AA-	Aa3	AA	
5	A+	A1	A+	Upper Medium Grade
6	A	A2	A	
7	A-	A3	A-	
8	BBB+	Baa1	BBB+	Lower Medium Grade
9	BBB	Baa2	BBB	
10	BBB-	Baa3	BBB-	
11	BB+	Ba1	BB+	Non Investment Grade Speculative
12	BB	Ba2	BB	
13	BB-	Ba3	BB-	
14	B+	B1	B+	Highly Speculative
15	B	B2	B	
16	B-	B3	B-	
17	CCC+	Caa1	CCC+	Substantial Risks
18	CCC	Caa2	CCC	Extremely Speculative



Understanding Credit Ratings: Insights into Individual, Corporate, and National Assessment



Controversies: The 2008 Financial Crisis (A System Unraveled)

Credit rating agencies have been criticized for their role during financial crises, such as the 2008 global financial crisis, where they were accused of failing to assess mortgage-backed securities risks and giving high ratings to defaulting financial instruments. During sovereign debt crises, such as the European debt crisis, downgrades of sovereign ratings can worsen economic troubles, often occurring at politically sensitive times, leading to increased borrowing costs and economic instability.

Credit rating agencies initially rated mortgage-backed securities as secure investments, but the housing market collapse exposed their unsafe nature. Homeowner defaults led to bank failures and economic unrest. Critics criticized rating agencies for inability to identify hazards and potential conflicts of interest.

The Future of Credit Ratings

The future of credit ratings is changing in the wake of the financial crises and scandals. Conventional rating agencies such as Moody's, S&P, and Fitch have introduced measures to improve transparency, including more precise rating processes and improved supervision. However, fresh difficulties are appearing.

Fintech companies are currently upending the credit assessment industry by assessing people and small businesses based on alternative data sources such as payment histories and social media activity. In addition to bringing financial services to underbanked communities, these technologies also bring up moral questions around data privacy and the propriety of using non-traditional data to assess creditworthiness.

Understanding Credit Ratings: Insights into Individual, Corporate, and National Assessment

Conclusion

Credit ratings, while not without their challenges, remain vital in ensuring the smooth functioning of global financial markets. As the industry reforms and adapts to new trends, greater transparency, accountability, and innovation are likely to shape the future of credit assessments. By understanding the history, controversies, and future directions of credit ratings, we gain a clearer perspective on how they will continue to guide decisions that impact economies and financial systems worldwide.

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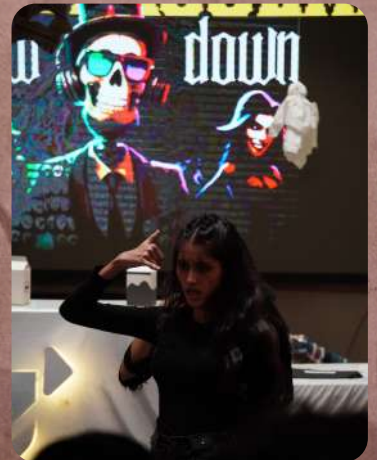
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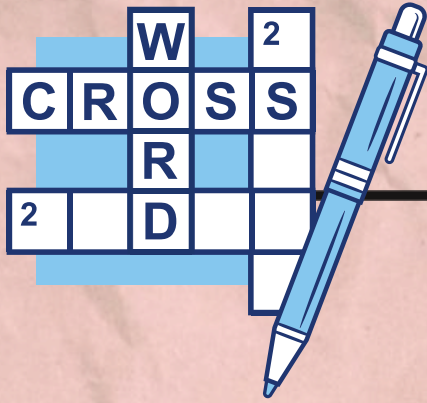


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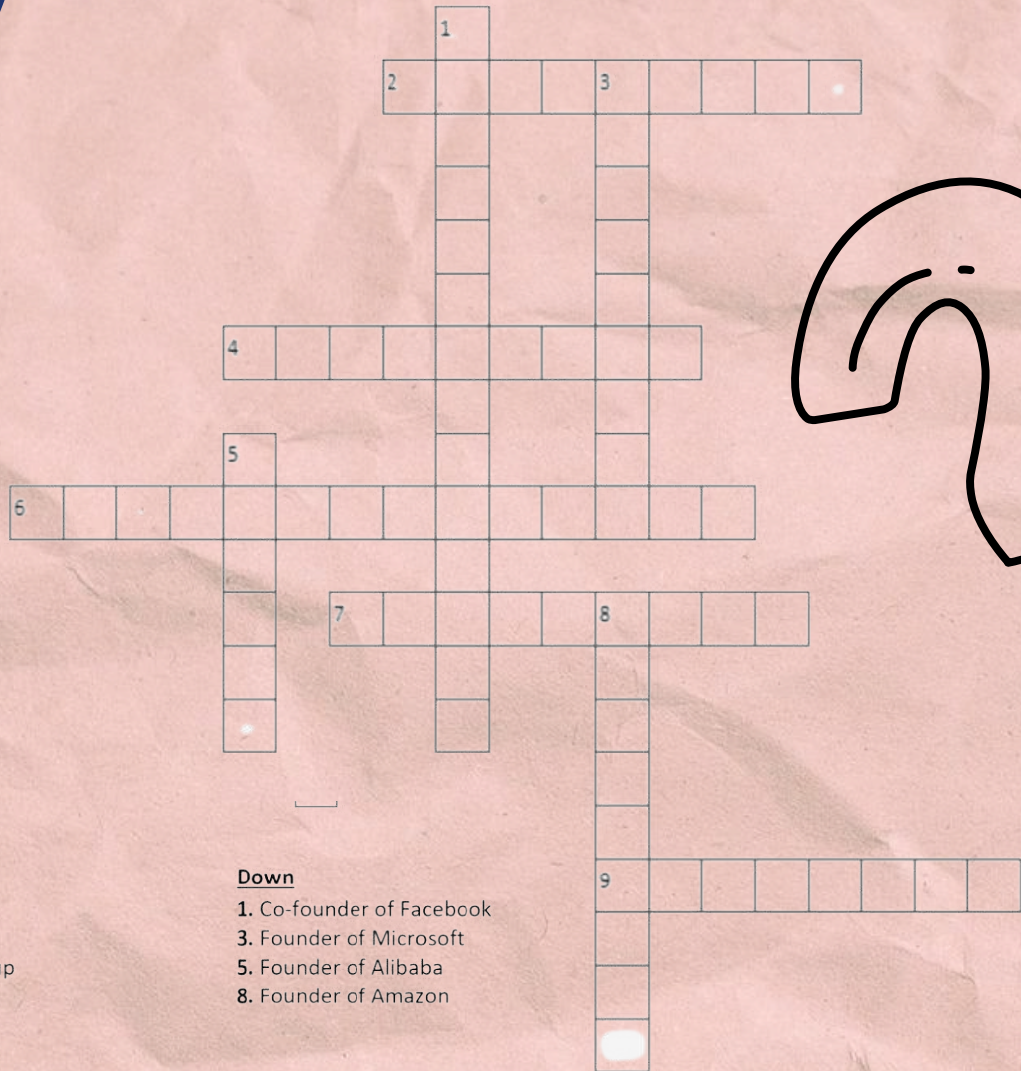


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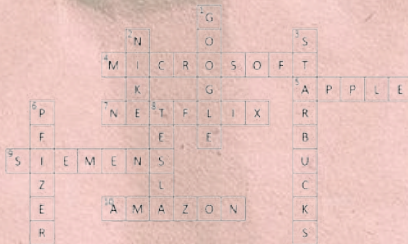
2. Founder of Spanx
4. "Shark Tank" investor
6. Founder of Virgin Group
7. Co-founder of Apple
9. CEO of Tesla

Down

1. Co-founder of Facebook
3. Founder of Microsoft
5. Founder of Alibaba
8. Founder of Amazon

Submit the solution

Spoiler Alert: Crossword Solution
Inside (Issue 7)



Across

4. Software giant known for Windows (MICROSOFT)
5. Smartphone manufacturer based in Cupertino (APPLE)
7. Entertainment streaming service with a red "N" logo (NETFLIX)
9. German engineering and technology company specializing in industrial automation (SIEMENS)
10. Giant online retailer founded by Jeff Bezos (AMAZON)

Down

1. Search engine giant, also a verb (GOOGLE)
2. Sportswear giant with a swoosh logo (NIKE)
3. Coffeehouse chain with a green mermaid logo (STARBUCKS)
6. Pharmaceutical giant that developed Lipitor (PFIZER)
8. Electric car manufacturer led by Elon Musk (TESLA)



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