



## DECEMBER'18

# FEDAI NEWS LETTER

### RBI DECEMBER 2018 FINANCIAL STABILITY REPORT

India's financial system remains stable, and the banking sector shows signs of improvement, even though the global economic environment and the emerging trends in financial sector pose challenges.

([https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=45862](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=45862))

- The global growth outlook for 2018 and 2019 remains steady although the underlying downside risks have risen.
- Credit growth of scheduled commercial banks (SCBs) has improved between March 2018 and September 2018, driven largely by private sector banks (PVBs).
- The asset quality of banks showed an improvement with the gross non-performing assets (GNPA) ratio of SCBs declining from 11.5 per cent in March 2018 to 10.8 per cent in September 2018.

### Foreign Exchange Management (Borrowing & Lending) Regulations 2018, FEMA3(R) notified on Dec.17'2018

(<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11441&Mode=0>)

- AD Banks may raise ECB upto the limit specified by RBI
- Limit for Trade credit for Import under AD Banks' delegation increased from USD 20 mio to USD 50 mio, max. spread over 6 month Libor or applicable benchmark for respective currency capped at 250 bp
- Guidelines for External Commercial Lending (ECL)
- Trade credit allowed for transactions with SEZ

### FEDAI workshops, trainings

**FEDAI 5 Days Orientation Workshop (NON-RESIDENTIAL) on Foreign Trade and Foreign Exchange Business Conducted during Dec.'18**

Bank of Maharashtra at Nagpur from 3-7<sup>th</sup> Dec.'18

SIBSTC at Bangalore from 10-14<sup>th</sup> Dec.'18

United Bank of India at Kolkata from 17-21<sup>st</sup> Dec.'18

#### Forthcoming

Indian Bank at Chennai from 21-25, Jan.'19,

Canara Bank at Gurgaon from 4 – 8<sup>th</sup>, Feb.'19

OBC at Noida from 28<sup>th</sup> Jan-1<sup>st</sup> Feb.'19 (Bank specific)

### Upcoming Market Events

Monetary Policy Committee Meeting - February 5 to 7, 2019

Release of FOMC Minutes of Dec.18-19'18 mtg – Jan.'9<sup>th</sup>19

ECB Meeting – Jan.24<sup>th</sup>19

FOMC Meeting – Jan.29-30<sup>th</sup>19

### FEDAI Notifications

Clarification on Interest Equalization for Export Credit

([https://fedai.org.in/DocumentUploadFiles/SpecialCircular/Special%20Circular%202017\\_31\\_December\\_2018.pdf](https://fedai.org.in/DocumentUploadFiles/SpecialCircular/Special%20Circular%202017_31_December_2018.pdf))



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### EURO TURNS 20

The euro was introduced to world financial markets as an accounting currency on 1<sup>st</sup> Jan.'99. Physical Euro coins and banknotes came into circulation on 1<sup>st</sup> Jan.'02.