



THE COMPENDIUM

BUSINESS AND ECONOMICS
NEWSLETTER



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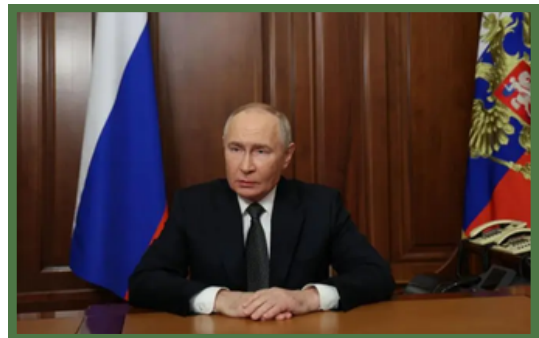
INTERNATIONAL RELATIONS

Will Russia's Shock To The West Ignite The Fire That Shocks Us All; World War 3?

Russia launched missiles at Dnipro, with Ukraine claiming an intercontinental ballistic missile (ICBM) was used. Western officials disputed this, suggesting it was an intermediate-range missile. President Zelensky said the missile had parameters similar to an ICBM, raising alarms due to its potential for carrying nuclear warheads, although none were reported.

The attack hit industrial sites and caused fires, with Ukraine downing six of nine missiles. It follows Ukraine's deeper strikes into Russia using U.S. and British-supplied missiles, prompting escalations from Russia, including threats of nuclear response.

Local officials reported damage, including broken windows at a rehabilitation center in Dnipro. Russia's intent, some suggest, is to intimidate Ukraine and its allies, while Kyiv continues to denounce the aggression as part of a broader campaign to test Western limits.



Ukraine's recent use of **American ATACMS and British Storm Shadow missiles** to strike Russian military targets, including an arms depot in Bryansk, has provoked sharp responses from Moscow. Concerns remain about the potential for further escalation amid these reciprocal attacks.

INTERNATIONAL RELATIONS

What Trump 2.0 Means For India



President-elect Donald Trump is assembling his second-term administration, with key appointments signaling continued focus on defense, immigration, and economic efficiency. Notably, Florida Senator Marco Rubio is expected to serve as Secretary of State, and Congressman Mike Waltz has been chosen as National Security Advisor. Both officials are pro-India and critical of China, indicating strong potential for enhanced US-India defense and security ties.

Waltz, co-chair of the India Caucus, has long advocated for closer US-India collaboration to counter China's influence, while Rubio introduced the US-India Defense Cooperation Act in 2023. Their appointments highlight a robust stance against China's aggression in the Indo-Pacific, aligning with India's strategic interests.

Trump's proposed immigration policies could affect Indian immigrants in the U.S. by targeting birthright citizenship, mass deportations, and visa restrictions. Ending birthright citizenship would impact children born to undocumented Indian parents, while his mass deportation plan could affect undocumented Indian Americans. Stricter H1B and F1 visa rules could complicate the path for Indian professionals and students.

As the administration prepares for its January 20 inauguration, the stage is set for a strengthened US-India partnership in defense, trade, and technology.



At COP29, India Pushes for Climate Finance Justice



At COP29 in Baku, India reinforced its demand for equitable and accessible climate finance and called for at least \$1 trillion annually in climate finance to help developing nations mitigate and adapt to climate change. Indian officials stressed the need for predictable, high-quality funding and emphasized the importance of focusing on adaptation for vulnerable regions like the Sunderbans and northeast India.

India criticized developed nations for not fulfilling past financial commitments and shifting the burden of mitigation onto the Global South. The country urged grant-based, low-interest financing and unrestricted technology transfers to accelerate green technology adoption.

India reiterated its commitment to climate justice and equity, pushing for developed countries to meet their pre-2020 obligations. By addressing these financial gaps, India seeks to foster greater trust and cooperation for a just, sustainable global transition.

ECONOMY

India's Forex Reserves Drop to 3-Month Low, Sparking Economic Concerns



India's foreign exchange reserves plunged to \$675.6 billion in November 2024, marking a sharp \$29 billion dip from recent highs. The decline is driven by global economic instability, a strengthening U.S. dollar, and reduced portfolio investments. This drop has raised alarms about the country's economic resilience amid persistent trade deficits and external pressures.

The Reserve Bank of India (RBI) is actively intervening in currency markets to stabilize the rupee and ensure adequate reserves. However, the pressure on forex reserves signals challenges from rising import costs and weaker export growth. The RBI's monetary policies, aimed at controlling inflation and encouraging foreign investments, are crucial in managing the reserve downturn.



As India faces external shocks like global inflation and geopolitical uncertainties, managing forex reserves becomes vital to maintaining investor confidence and securing long-term economic stability.

ENTREPRENEURSHIP

Callus Company Launches SPRINT Program to Bridge Global Talent Gaps

Callus Company, the South Korean startup committed to connecting young talent with the rest of the world, has launched its flagship **SPRINT PROGRAM** in India.

The company aims to provide Indian students and professionals with opportunities to engage in **internship-based hiring**, thereby creating gateway opportunities for global job markets.



The program is designed to enhance participants' employability by giving them hands-on experience and an exposure to global industry practices. This is, therefore, giving its participants skills to compete in highly competitive environments.



Aeravati Ventures's Deep Dive in Deep Tech



Aeravti Ventures has been investing into DeepTech - the emerging horizontal driving innovation in a wide range of industries, ranging from healthcare and space to biosciences and clean energy.



The firm has strategically invested in early-stage startups that focus on cutting-edge research of DeepTech and enterprise tech, like FreightFox, which is an AgriTech company that is all about optimization of supply chain operations.

Aeravti Ventures believes in supporting change makers who leverage advanced technologies to build impactful solutions and grow the fledgling DeepTech ecosystem in India.

MARKET SITUATION

November Witnessed Elcid Investments Dethrone MRF Ltd.



Elcid Investments recently gained prominence as the most costly equity in India, finding its shares rising to impossible heights. On October 29, 2024, the stock of the company soared from ₹3.53 to ₹2,36,250 in a single trading session, almost touching a gigantic size of nearly 67,000 times. This has dramatically helped Elcid cross MRF Ltd., the erstwhile title holder of India's costliest equity for several years.

Elcid's stock traded at around ₹2.73 lakh as of November 4, 2024. The market cap, however, remained at a bit low around ₹5,470 crore. It can be noted that the rally was mainly because of the special auction conducted by BSE with a view to find out the fair value of an investment holding company under the new framework introduced by SEBI with a view to achieve enhanced liquidity and price discovery.

Elcid Investments is an NBFC, registered with the Reserve Bank of India, with its main holding positioned in company investments- this includes being a significant shareholder in Asian Paints valued at approximately ₹8,500 cr. Its valuation is very high, but it does not carry on any operational business activities. This on-time appreciation has attracted investors' attention and raised the debate about the subsequent outcome of this on the broader market as well as the investment strategies for the future. While it presents an opportunity for enormous returns on the stock market especially with undervalued investments, it also draws attention to potential risks from penny stocks and volatility in relating to such dramatic price movements.

MARKET SITUATION

Bitcoin Nears \$100,000 Mark. Will The Crypto Milestone Be Reached Soon?

Bitcoin (BTC) traded flat on Monday around the \$98,200 mark. On Friday, the cryptocurrency reached a record high of \$99,830, fuelled by expectations of a more crypto-friendly regulatory environment under former President Donald Trump. At 11:01 AM IST, Bitcoin was up 0.05% at \$98,270, with analysts speculating that the \$100,000 milestone could soon be reached. The token is up about 45% since Trump's sweeping election victory on November 5, when voters elected a slew of pro-crypto lawmakers to Congress. Edul Patel, CEO of Mudrex, said, "The market activity remains strong, with Bitcoin ETFs projected to surpass Satoshi's BTC holdings by year-end. BTC now faces resistance at \$99,600, with strong support holding at \$95,400."



"Key altcoins have experienced 3-7% declines on Monday with Cardano and Polkadot dipping considerably. If Bitcoin rallies towards \$100,000 this week, it will bring more cheer to the altcoin market," said Vikram Subburaj, CEO of Giottus. "Optimism is that BTC may break even at \$100,000 and shoot toward \$113,331, but high resistance and selling pressure await. A correction to \$85,000 might be high if bulls cannot hold the momentum," Shekhar said.



SPECIAL HAPPENINGS

Delhi Chokes: Toxic Air Sparks Medical Emergency



Delhi's air quality has reached alarming levels, with the AQI hitting 446, and areas like Anand Vihar and Ashok Vihar seeing even higher readings of 479 and 473. Environment Minister Gopal Rai has called it a "medical emergency" and requested approval for artificial rain.



The pollution is driven by stubble burning, vehicle emissions, and stagnant weather. The Delhi government has activated Stage 4 of GRAP, banning non-essential construction and urging work-from-home measures. Educational institutions like Delhi University and Jamia Millia Islamia have moved classes online.



Public outrage is growing, with protests and mask distributions. The Delhi Metro has increased services to reduce private vehicle use and promote eco-friendly transport. The worsening pollution highlights the urgent need for a coordinated response across North India.

SPECIAL HAPPENINGS

ISRO And SpaceX Join Forces To Launch GSAT-20 Satellite

ISRO has joined forces with SpaceX to launch the GSAT-20 satellite, a powerful 4,700 kg communications satellite, using SpaceX's reusable Falcon 9 rocket. This collaboration highlights the growing importance of international partnerships in space exploration. The Falcon 9 will carry the satellite to geostationary transfer orbit (GTO), showcasing SpaceX's heavy-lift capabilities.



The GSAT-20 will enhance broadband connectivity across India, especially in remote regions, supporting Smart Cities and in-flight connectivity. ISRO's decision to work with SpaceX comes after the retirement of Arianespace's Ariane-5, leaving limited options for heavy-lift rockets.

This mission underscores ISRO's strategic shift to expand satellite capacity while tapping into global expertise, paving the way for future advancements in India's space technology.



FINANCE

Adani's November Nightmare: Bribery Allegations and Buckling Stocks



Effects on Market:

The combined market capitalization of Adani Group companies fell by Rs 2 lakh crore. Shares of key entities such as Adani Enterprises and Adani Green Energy declined by over 20%. The controversy caused heightened volatility and a lack of investor confidence in Adani-related stocks.

Effects on Stakeholders:

Institutional stakeholders like GQG Partners experienced sharp declines in their share prices, reflecting the ripple effect of the allegations. Retail and institutional investors faced significant losses due to the sharp fall in Adani Group stock prices. The controversy created uncertainty for current and potential partners, possibly affecting collaboration or new ventures.



Effects on Credit:

Moody's labeled the allegations as "credit-negative," raising concerns over the group's governance standards and global fundraising capability. Borrowing costs for Adani Group are expected to increase, potentially squeezing profit margins in the short term. The halting of the \$600 million bond issuance highlights challenges in accessing international capital markets, though the group may explore local financing or accept higher costs globally.

Rupee Slips To All-Time Lows On Renewed Selling By FIIs

The Indian rupee hit a record low of ₹84.4275 on Thursday, closing at ₹84.4925, due to renewed FPI outflows and a stronger U.S. dollar. The dollar's rise, fueled by expectations of aggressive Federal Reserve rate cuts, added pressure on the rupee, while domestic market sentiment was dampened by allegations of US bribery involving the Adani Group.

The U.S. Dollar Index remained strong at 106.55, gaining 2.43% over the month despite slight recent fluctuations. Analysts expect the rupee to trade between ₹84.35 and ₹84.65, citing global risk aversion due to escalating Russia-Ukraine tensions and continued FPI selling, which has reached ₹35,000 crore in November.



MEDIA AND IT

Regional Stories Take the Spotlight: OTT Platforms Embrace Localization

In November 2024, leading OTT platforms like Netflix, Amazon Prime Video, and Disney+ Hotstar focused heavily on regional content to cater to India's linguistically diverse audience. Netflix released *Vanavil*, a Tamil anthology capturing the essence of Madurai, while Disney+ Hotstar added exclusive Telugu films to its library, catering to Andhra Pradesh and Telangana audiences. Amazon Prime Video is also preparing to launch a Kannada web series by year-end.



This shift is driven by the fact that over 50% of India's internet users consume content in regional languages. By investing in vernacular storytelling, these platforms are not only expanding their audience base but also enhancing cultural representation. The regional focus reflects their aim to compete in India's saturated OTT market by engaging viewers outside metro cities, where demand for local-language content is soaring.

Google Cloud Strengthens Its Presence in India's Digital Landscape



On November 4, Google Cloud launched two new data centers in Mumbai and Hyderabad. These centers are designed to meet the increasing demands of India's booming digital economy while complying with the Data Localization Policy, which mandates local storage of sensitive data

Industries such as banking, e-commerce, and the public sector stand to benefit most from this development. For example, these data centers will enable faster transactions for fintech companies and secure data storage for government services. According to Thomas Kurian, Google Cloud's Vice President, this initiative underscores Google's commitment to supporting India's digital transformation while prioritizing cybersecurity and operational efficiency.



These expansions will also pave the way for Indian businesses to adopt cutting-edge cloud technologies, making them more globally competitive.

MEDIA AND IT

Meta's Virtual Reality Labs: Revolutionizing Education

In November 2024, Meta introduced virtual reality (VR) labs in Delhi and Karnataka schools as pilot projects. These labs aim to revolutionize how students learn subjects like science, history, and geography by making lessons immersive and interactive. For instance, students can virtually explore the Taj Mahal or understand the solar system through 3D simulations



This initiative aligns with India's National Education Policy (NEP), which promotes the integration of technology in education. Meta's focus on VR labs is a significant step towards bridging the gap between traditional and futuristic learning methods. By enabling students to experience concepts rather than just read about them, these labs promise to make learning more effective and engaging.

According to Ajit Mohan, Meta's India Head, these pilot projects are the first step in scaling up VR-based education nationwide. The long-term goal is to use VR to improve educational outcomes, especially in regions where access to quality resources is limited

CONSULTING FIRMS

Accenture's Growth into Tier-2 Cities

In November 2024, **Accenture** took a major step by announcing the establishment of new innovation centers in Pune and Coimbatore, aiming to expand its consulting and digital transformation services beyond major urban centres.

These centres are set to concentrate on industries like retail, manufacturing, and healthcare, providing advanced solutions such as cloud migration, AI-based analytics, and business automation.

This move reflects Accenture's strategic intention to tap into regional talent and address the demands of businesses in developing markets throughout India



**BETTER
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By decentralizing its innovation efforts and building a foothold in these tier-2 cities, Accenture intends to equip local businesses with the necessary resources to succeed in an increasingly digital landscape. The facilities in Pune and Coimbatore will assist regional companies in adopting cutting-edge technologies to improve efficiency, competitiveness, and scalability. Additionally, this initiative corresponds with the growing need in India for accessible digital transformation services, particularly outside metropolitan areas, thereby promoting a more inclusive economy

CONSULTING FIRMS

Advancing Cybersecurity Services to Meet Rising Demands

As incidents of cyberattacks increase, Indian consulting firms are shifting their attention toward cybersecurity solutions to safeguard businesses, especially small and medium-sized enterprises (SMEs). Companies such as Wipro and Ernst & Young (EY) have introduced innovative tools to enhance the security of digital infrastructures. EY, for example, has launched AI-powered fraud detection systems to help Indian banks identify fraudulent transactions in real-time. This advancement is pivotal as India's digital financial ecosystem continues to evolve, particularly with the rise in online payment usage



Conversely, Wipro has concentrated on providing cost-effective cybersecurity packages for SMEs that typically lack the financial means to invest in strong security measures. These solutions encompass real-time threat detection, ransomware protection, and compliance support, designed to mitigate risks associated with cybercrime. With India's ongoing digital transformation, these initiatives are vital to upholding the integrity and trust of the expanding e-commerce and online services sectors.

CONSULTING FIRMS

ESG Consulting: Increasing Emphasis on Sustainability

Boston Consulting Group (BCG) has introduced a new sustainability advisory service aimed at assisting Indian companies in meeting global Environmental, Social, and Governance (ESG) standards.

This initiative responds to rising global expectations for Indian firms to adopt sustainable practices amid regulatory shifts and increasing investor demands. The service from BCG is tailored to help organisations evaluate and enhance their environmental impact, streamline supply chains, and improve social governance practices.

The newly launched offering includes instruments for analyzing carbon footprints, ensuring supply chain sustainability, and measuring workforce welfare.

As Indian businesses face increasing scrutiny regarding their environmental and social responsibilities, BCG's expertise in helping firms align with ESG objectives is viewed as essential for their long-term success and competitiveness on the global stage. This transition towards sustainability is further supported by India's national climate action agenda, which aims to achieve net-zero emissions by 2070.

