

MUDRA

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“STOP INNER CONTRADICTIONS AND CONFLICT”

Be clear about your thoughts and goals. Times are changing and requirements are plenty. Irrespective of insinuating role of rising competitive work life and transformed social life, the secret to a fulfilled achievement can be derived when state is 'mindful', and which leads to conscious deliberations. With rising expectations and surmounting challenges attaining clarity, purpose and outcome of every decision must be realized. Since 'management' is a purposive outcome and outward looking proactive and strategic process, it is important to that as sustainable organizations with a futuristic looking perspective, being mindful helps in maintaining psychological wellbeing for being healthy and contented.

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**FROM THE EDITORIAL DESK**

Dear Readers,

"FINANCE IS AN INTEGRAL PART OF OUR LIVES."

With an educative purpose, we are coming forth with our monthly financial newsletter "MUDRA" to help our readers regarding insights to specific news and facts about the financial world. 'MUDRA' serves as a gist of the news happening in the financial ecosphere. It indeed gives me pleasure to share that the newsletter is designed and compiled by the students. My special accolades go to all those who have worked behind this.

I hope you enjoy going through the newsletter and we look forward to receiving your opinions and suggestions.

HAPPY LEARNING!

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FINANCIAL REPRESSION

EDITORIAL 1

Financial Repression: Introduction & its key features

By: Piyush Garg
MBA General (2022-24)

EDITORIAL 2

Financial repression: Whether Good or Bad

By: Ankita Kumari
MBA General (2022-24)





CURRENT SITUATION OF INDIA'S FINANCIAL REPRESSION



FINANCIAL REPRESSION: A PATH TOWARDS SUSTAINABLE DEVELOPMENT



RISING INTEREST RATES & PUSHING THE GLOBAL ECONOMY TOWARDS INSTABILITY



DEBTOR'S BENEFIT CREDITORS HURT: HOW THE POLYCRISIS IS RESHAPING THE FINANCIAL SYSTEM



GLOBAL FINANCIAL CRISIS & IT'S IMPACT ON THE INDIAN ECONOMY



THE STORY OF FINANCIAL REPRESSION IS ONE OF VICTORY

GAME

Send your Answers to finclubabs@gmail.com or [click here](#)

GUESS THE WORD WITH THE HELP OF HINT GIVEN BELOW:

1. A SIGNIFICANT, PERVASIVE, & PERSISTENT DECLINE IN ECONOMIC ACTIVITY IS CALLED _____.
2. _____ ARE THE AMOUNT OF CASH THAT FINANCIAL INSTITUTIONS MUST HAVE, IN THEIR VAULTS OR AT THE CLOSEST FEDERAL RESERVE BANK, IN LINE WITH DEPOSITS MADE BY THEIR CUSTOMERS.
3. THE PRACTISE OF A GOVERNMENT BORROWING MONEY FROM ITS CENTRAL BANK TO FINANCE ITS SPENDING NEEDS IS KNOWN AS _____.
4. THE HIDDEN TAX IMPOSED ON SAVERS & INVESTORS AS A RESULT OF POLICIES THAT ARTIFICIALLY DEPRESS INTEREST RATES, REDUCING THE RETURN ON THEIR INVESTMENTS IS _____.
5. MEASURES IMPLEMENTED BY GOVERNMENTS TO RESTRICT THE MOVEMENT OF CAPITAL IN & OUT OF A COUNTRY IS _____.
6. THE DELIBERATE POLICY OF CENTRAL BANKS OR GOVERNMENTS TO KEEP INTEREST RATES ARTIFICIALLY LOW, OFTEN BELOW THE RATE OF INFLATION, TO STIMULATE BORROWING & ECONOMIC ACTIVITY IS CALLED _____.



FINANCIAL FACTS

- Financial repression gained prominence in the post-World War II era and was widely practiced by many governments, especially during the 1950s to the 1980s. It was often employed to reduce high levels of public debt accumulated during wartime.
- Governments practicing financial repression often implement interest rate controls, setting artificially low interest rates on savings and investments. This reduces borrowing costs for the government but also reduces returns for savers and investors.
- Financial repression can create economic distortions by misallocating resources. Low interest rates discourage savings and can incentivize risky investments or speculative activities as savers seek higher returns.
- The goal of financial repression is often to reduce the real value of govt. debt over time, by keeping interest rates low and suppressing inflation.

FINANCIAL TERMS

- Interest Rate Ceiling** - A regulatory measure known as an interest rate ceiling forbids banks and other financial institutions from charging interest rates over a specific threshold.
- Debasement** - Lowering the coins' inherent worth is a coin debasement practice. If there is less gold, silver, copper, or nickel in a coin, it is said to have debased.
- Captive Market** - A Captive market is a market where the potential consumers face a severely limited number of competitive suppliers.
- Non-performing loans** - Non-performing loans mean lenders with effective credit screening processes should be able to bring down rates in future periods, while reckless lenders will be penalized.
- Reserve requirements** - These guidelines issued by the central bank specify the minimum amount of liquid assets a commercial bank must hold. This minimum amount, also known as the commercial bank's reserve, is typically set by the central bank based on a certain percentage of the bank's deposit liabilities.

POLICY RATES

CRR	4.50%
SLR	18.00%
MSF	6.75%
REPO RATE	6.50%
REVERSE REPO RATE	3.35%
BANK RATE	6.75%

PARTICULARS PRICE	SENSEX	NIFTY	GOLD	USD/ INR	NASDAQ
AS ON 22 JUNE, 2023	63238.8 9	18,771.2 5	60,280	81.94	13,605. 97
AS ON 25 MAY, 2023	61,872. 62	18,321.1 5	62,025	82.73	12,726. 28

AS ON 25 MAY, 2023	TOP GAINERS		TOP LOSERS	
COMPANY	DIVIS LABS	LARSEN	TATA STEEL	BAJAJ FINANCE
CURRENT PRICE	3,543.85	2,416.25	111.10	7030
CHANGE %	0.98%	0.91%	2.46%	2.44%

