

# GDP numbers to surprise on the upside: Das

## RBI Guv Highlights Geopolitical Risks And Their Potential Impact On Financial Markets

TIMES NEWS NETWORK

**Mumbai:** RBI governor Shaktikanta Das has said that GDP growth for the second quarter of FY24 is likely to surpass expectations based on early indicators. The central bank had projected a GDP growth of 6.5% for the second quarter, which aligns with the full-year growth forecast for FY24.

"Looking at the momentum of economic activity and several early data points and indicators that have emerged, I can confidently say that the

second quarter GDP figures, expected to be released at the end of November, in all probability will surprise everyone on the upside," said Das. The governor made these remarks during a fireside chat at a banking event organised by Business Standard on Tuesday.

At the same time, Das highlighted geopolitical risks and their potential impact on financial markets as the key concerns. "The most significant challenge for every country is evolving geopolitics and new flashpoints. Today, I believe this poses the biggest risk to

### New Global Flashpoints A Worry

**GDP Growth** | The RBI had projected a GDP growth of 6.5% for the second quarter, which aligns with the full-year growth forecast for FY24

**Banking Supervision** | It has remained in sync with the requirement of the financial sector



Shaktikanta Das | RBI GUV

**High Attrition** | Every bank must cultivate a core team for long-term growth... organisational culture

**CEO Pay** | in cases where bank performance is negative, excessive compensation increases can't be justified

global growth," Das said.

Within the domestic financial system, Das also discussed RBI's focus on the high attrition rates in private banks. In

their annual reports for the previous financial years, private banks reported remarkably high attrition rates, with some indicating up to 50% at-

trition among their front-end staff. "We have asked banks to address this issue because, ultimately, every bank must cultivate a core team for long-term growth. There has to be something called organisational culture," Das said.

Das also mentioned the RBI's examination of the business models of banks to understand the risk appetite factored into their business plans. "We are looking at the structural issues in the balance sheet to ensure that risk appetite is adequately supported by risk mitigation measu-

res. We are evaluating the revenue models of banks, particularly if they are prioritising short-term gains over long-term risks," he said.

Das pointed out that central banks and regulators worldwide have recognised the need for enhanced supervision, especially after bank failures in the US and Switzerland. "I can say with confidence that our supervision has by no means fallen behind the curve. It has remained in sync with the requirement of the growing complexities of the financial sector the world over."

# US announces N-bomb 24 times more powerful than one dropped on Japan

WASHINGTON, DC, Oct 31 (ANI)

THE United States Department of Defence has announced that it will pursue a modern variant of the B61 nuclear gravity bomb, designated the B61-13, pending Congressional authorisation and appropriation.

According to a Fox News report, the nuclear bomb is said to be 24 times more powerful than one of the bombs dropped on Japan during World War II.

"Today, the Department of Defence (DoD) announced that the United States will pursue a modern variant of the

B61 nuclear gravity bomb, designated the B61-13, pending Congressional authorisation and appropriation. The Department of Energy's National Nuclear Security Administration (NNSA) would produce the B61-13," the Defence release said.

"The decision to pursue this capability, which was undertaken in close collaboration with the NNSA, responds to the demands of a rapidly evolving security environment as described in the 2022 Nuclear Posture Review," the statement read. The B61-13 will yield similarly to the B61-7, which has

a maximum output of 360 kilotons, according to Fox News citing the Pentagon statement, which had a fact sheet that was included with the release.

The bomb dropped on Hiroshima, Japan, during World War II, which was around a 15 kiloton bomb, is 24 times smaller than the load. Additionally, the B61-13 would be almost 14 times bigger than the 25-kiloton bomb that was dropped on Nagasaki.

"...announcement is reflective of a changing security environment and growing threats from potential adversaries," said Assistant Secretary of

Defence for Space Policy John Plumb. "The United States has a responsibility to continue to assess and field the capabilities we need to credibly deter and, if necessary, respond to strategic attacks, and assure our allies."

"The B61-13 represents a reasonable step to manage the challenges of a highly dynamic security environment," Plumb added.

"While it provides us with additional flexibility, production of the B61-13 will not increase the overall number of weapons in our nuclear stockpile," he noted.

# Warmer November due to El Nino

NEW DELHI, Oct 31 (PTI)

ABOVE-NORMAL minimum temperatures are expected in most parts of India in November, barring some areas in the northwest and west-central regions, amid strengthening El Nino conditions, the IMD said on Tuesday.

At a press conference here, India Meteorological Department (IMD) Director General Mrutyunjay Mohapatra said rainfall over the country as a whole in November is most likely to be normal – 77-123 percent of the long-period average.

Above-normal rainfall is likely over some areas of the southernmost parts of peninsular India, most parts of northwest India, and many parts of east-central, east and northeast India, he said.

El Nino conditions are prevailing over the Equatorial Pacific Ocean and positive Indian Ocean Dipole (IOD) conditions are prevailing over the Indian Ocean. The latest global forecasts indicate that the El Nino conditions are likely to continue during the season and positive IOD conditions are likely to weaken during the coming months, the

IMD said.

Mohapatra, however, said models suggest that El Nino conditions are unlikely to continue into the next monsoon season.

El Nino conditions -- the warming of waters in the Pacific Ocean near South America -- are associated with weaker monsoon winds and drier conditions in India.

Indian Ocean Dipole is defined as the difference in the sea surface temperatures between the western parts of the Indian Ocean near Africa and the eastern parts of the ocean near Indonesia.

# X says it is worth \$19bn, down from \$44bn last year

## Less Than Half Of Price Musk Paid for Twitter

**Los Angeles:** X, the company formerly known as Twitter, handed out stock grants to employees Monday that showed it was worth about \$19 billion, down about 55% from the \$44 billion that Elon Musk paid to buy the firm a year ago, according to internal documents seen by NYT.

Musk paid \$54.20 a share to buy Twitter just over a year ago. The tech billionaire has since said he overpaid for the social network. In March, he wrote in an email to workers that he believed the company was worth \$20 billion, calling it "an inverse startup."

In the paperwork for the new stock grants, X said the equity would be offered at \$45 a share in the form of restricted stock units, which employees can earn over time. Employees will still be paid in cash in the amount of \$54.2 for any outstanding shares that were granted to them under previous management, the company said. It's unclear why the share price has not dropped by the same percentage as the

Reuters



**OVERHAUL BACKFIRES?** Since Musk's Twitter takeover a year ago, most of the staff has been laid off or has resigned. He renamed the firm X, changed some of its content rules and lost over 50 per cent of its ad revenue

company's valuation, though X could have altered the amount of shares outstanding.

In his year of owning Twitter, Musk has overhauled the firm. Over 80% of its 7,500 employees have either quit or been laid off. He has changed the service's verification process, as well as content-moderation rules. Advertising was down in the US by almost 60% this summer. Musk also loaded the company with billions of dollars in debt to help pay for the acquisition. Musk remains optimistic. Last week, he laid out how he believed X could serve as an all-purpose app with an array of features, including dating services and job recruiting. NYT

# Yemen's Houthis, backed by Iran, fire missiles at Israel

Dubai: Yemen's Houthi rebels for the first time Tuesday claimed missile and drone attacks targeting Israel, drawing their main sponsor Iran closer into the ongoing Israel-Hamas war in the Gaza Strip and further raising the risks of a regional conflict erupting. Houthi military spokesperson Yahya Saree said in a statement the group had launched a "large number" of ballistic missiles and drones towards Israel, and there would be more such attacks to come "to help the Palestinians to victory". Israel said its own fighter jets and its new Arrow missile defense system shot down two salvos of incoming fire hours apart as it approached the country's key Red Sea shipping port of Eilat. REUTERS & AP