

June Newsletter

June 1, 2025

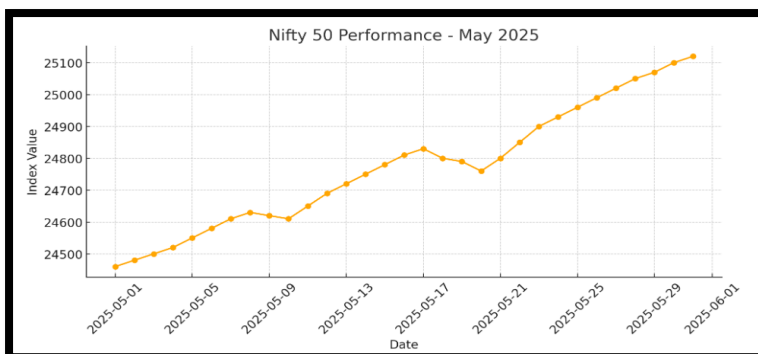
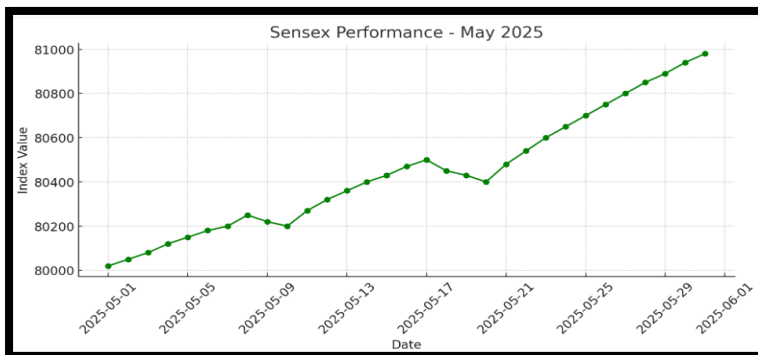
Dear Readers,

Welcome to the June 2025 3rd edition of the Fincour Financial Newsletter!

In this issue, we are excited to share not only the latest financial market highlights but also the results of our **exclusive May survey on bancassurance** — a growing yet often underexplored area in the Indian financial landscape.

Through this survey, we aimed to understand how clients perceive insurance products sold by banks, their purchasing preferences, satisfaction levels, and the key factors driving their decisions. The insights we gathered reveal valuable opportunities for banks and insurers alike to improve awareness, trust, and customer experience.

June 2025 – Key Financial Developments in India



- **Markets Break Records**

India's stock markets continued their strong run, with the Nifty 50 crossing 24,500 and the Sensex hitting 81,000 by the end of May. The rally was fuelled by:

- Robust Q4 results from banks and pharma companies
- Optimism in the real estate sector
- Sustained foreign institutional investor (FII) inflows

However, analysts warned of stretched valuations, advising selective profit booking.

- **SEBI Launches T+0 Settlement**

The Securities and Exchange Board of India (SEBI) began the first phase of T+0 same-day settlement for select high-volume stocks. This reform:

- Enhances liquidity and reduces settlement risks
 - Benefits day traders and institutions seeking faster fund flows
- Full rollout is expected by August, pending broker system upgrades.
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- **Rupee Weakens Slightly**

After appreciating in April, the Indian rupee slipped in May, ending at ₹85.10 per USD. Reasons include:

- The US dollar became stronger because the US Federal Reserve gave signals that it might raise interest rates or keep them high. Oil price volatility adding pressure on India's current account.
 - Companies that bring goods into India may face higher costs, but companies selling goods abroad might benefit a little.
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- **Gold Prices Near ₹96,500**

Gold prices touched ₹96,500 per 10g in Delhi, reflecting:

- Strong global safe-haven demand due to geopolitical tensions
 - Heavy domestic buying during wedding season and religious events
- Despite high prices, demand remained steady as buyers traded in old jewellery.
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- **Digital Lending Faces Compliance Heat**

RBI's new digital lending norms, effective May 15, caused ripples:

- Small fintech lenders flagged concerns over added compliance burdens
 - New rules include mandatory disclosure of annualized borrowing costs, bans on automatic limit enhancements, and routing repayments through regulated entities. Borrowers welcomed the added transparency, though loan processing times have slowed slightly.
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- **Real Estate Developers Begin Compensation Payouts**

The Real Estate Regulatory Authority (RERA) enforced new norms requiring builders to:

- Deposit compensation for possession delays within 30 days
Several metro builders began payouts to avoid penalties, boosting buyer confidence in under-construction projects.
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- **Mutual Fund Risk-O-Meter Goes Weekly**

Starting May, mutual funds now update their scheme risk levels weekly (instead of monthly). This change:

- Gives investors more real-time insight into portfolio risk
 - Helps better navigate volatile market conditions
Investors are encouraged to check risk ratings regularly, especially in dynamic categories.
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- **EPFO Rate Officially Raised to 8.25%**

The Employees' Provident Fund Organisation (EPFO) formally notified an interest rate increase to 8.25% for FY25 (up from 8.15%). This benefits:

- Salaried individuals relying on PF for long-term savings
Interest crediting will follow Ministry of Finance approval, expected by July.
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- **Global Geopolitical Tensions Weigh on Sentiment**

Geopolitical uncertainties — especially in the Middle East and regional Kashmir — caused intermittent volatility:

- Equity markets briefly corrected mid-month
 - Gold and USD strengthened as safe-haven assets
Indian investors were largely resilient, though defensive sector allocations saw a pickup.
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- **Tax Season in Full Swing**

The ITR filing window opened for AY 2025–26*

Key reminders:

- The Extended Deadline for ITR is 15th September 2025. This extension applies to most individual taxpayers, including salaried individuals and those not requiring an audit of their accounts.
- Reconcile Form 26AS, AIS (Annual Information Statement), and TIS (Taxpayer Information Summary) before filing
- Review the revised tax slabs introduced in April, as many middle-class earners now qualify for higher exemptions

***Note:** Contact us for Expert Advice on Income Tax & GST Consultancy, Accounting Consultancy, & Investment Advisory (Portfolio Management, Insurance...)

May Survey:

Topic: Bancassurance Products

Bancassurance refers to the arrangement where banks sell insurance products — such as life insurance, health insurance, or general insurance — directly to their customers, acting as a distribution partner for insurance companies.

For E.g.: HDFC Bank + HDFC Life Insurance, ICICI Bank + ICICI Lombard General Insurance, Axis Bank + Max Life Insurance

Based on our recent client survey, here's what we learned about preferences around insurance purchased through banks:

- ✓ 78% prefer insurance companies over banks
- ✓ 44% are unaware of bancassurance products
- ✓ Friends & family remain the top influencers for insurance decisions
- ✓ Trust and brand reputation are the top decision factors

- ◆ What this means:

Banks like HDFC face opportunities to improve awareness, emphasize their partnerships with top insurance providers, and streamline the buying process to win client trust.

Disclaimer: *The information provided in this newsletter is compiled from various publicly available and third-party sources believed to be reliable as of April 30, 2025. Fincour & Co. does not guarantee the accuracy or completeness of the information and shall not be held liable for any discrepancies or reliance placed upon it. If you notice any contradictions or have concerns regarding the content, feel free to write to us at Fincourconsultants@gmail.com.*

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