

## Global airline industry to record higher net profit of USD 36.6 billion in 2025: IATA

GENEVA, DEC 10: The global airline industry is projected to report a net profit of USD 36.6 billion in 2025, slightly higher than expected this year, helped by lower oil prices and cost control, IATA said on Tuesday.

Passenger numbers are expected to rise 6.7 per cent to 5.2 billion next year compared to 2024. In 2025, the International Air Transport Association (IATA) expects the industry's revenue to cross the USD 1 trillion mark for the first time to USD 1.007 trillion, which will be an increase of 4.4 per cent compared to 2024.

While the operating profit is estimated at USD 67.5 billion, expenses are anticipated to reach USD 940 billion next year.

At a briefing here, IATA Director General Willie Walsh said India is witnessing significant growth and that there is a clear recognition that growth is also dependent on air connectivity.

China and India are among the fastest-growing domestic aviation markets,



he added.

"Net profit is expected to be USD 36.6 billion in 2025 for a 3.6 per cent net profit margin. That is a slight improvement from the expected USD 31.5 billion net profit in 2024 (3.3 per cent net profit margin).

"Average net profit per passenger is expected to be USD 7 (below the USD 7.9 high in 2023 but an improvement from USD 6.4 in 2024)," IATA said in its financial outlook for 2025.

In the Asia Pacific region, a slight improvement in profitability is likely next

year on the back of strong demand and increasing load factors.

Globally, IATA said the average airfare, including ancillaries, is expected to be USD 380, which is 1.8 per cent lower than 2024.

"We are expecting airlines to deliver a global profit of USD 36.6 billion in 2025.

"This will be hard earned as airlines take advantage of lower oil prices while keeping load factors above 83 per cent, tightly controlling costs, investing in decarbonisation, and managing the return to more normal growth levels

following the extraordinary pandemic recovery," Walsh said.

In 2025, jet fuel price is expected to average USD 87 per barrel compared to USD 99 per barrel in 2024. This is based on a jet fuel crack spread of USD 12 per barrel and a crude oil price of USD 75 per barrel (Brent).

"Airlines' cumulative fuel spend is expected to be USD 248 billion, a decline of 4.8 per cent despite a 6 per cent rise in the amount of fuel expected to be consumed (107 billion gallons). Fuel is expected to account for 26.4 per cent of operating costs in 2025, down from 28.9 per cent in 2024," IATA said.

At the same time, Walsh said there are supply chain challenges, infrastructure deficiencies, onerous regulations and a rising tax burden.

IATA also mentioned that net profitability will be squeezed as airlines are expected to exhaust their tax losses carry forwards from the pandemic era, leading to an increase in tax rates in 2025.

## Sensex rises 35 points to 81,544 in early trade; Nifty advances 13 points to 24,632

MUMBAI, DEC 10: Equity benchmark indices Sensex and Nifty bounced back in early trade on Tuesday after two straight days of downturn on value-buying at lower levels, along with a rally in blue-chip stocks Infosys and HDFC Bank.

Fresh foreign fund inflows and a rally in the Asian markets also added to markets' rebound.

The BSE benchmark Sensex climbed 193.17 points, or 0.24 per cent, to 81,701.63 in early trade. The broader NSE Nifty rose 47.40 points, or 0.19 per cent, to 24,666.40.

From the 30-share Sensex pack, Bajaj Finserv, Tata Motors, Infosys, Bajaj Finance, HCL Technologies, Titan, and Kotak Mahindra Bank were among the gainers.

Mahindra & Mahindra, Bharti Airtel, Tech Mahindra, UltraTech Cement, Reliance Industries, and Maruti were the laggards.

In Asian markets, Seoul, Tokyo, Hong Kong, and Shanghai were trading



higher. "Asian equities advanced after China's top leaders signalled bolder stimulus next year as they seek to revive the world's second-largest economy," Deepak Jasani, Head of Retail Research at HDFC Securities, said. The US markets

ended lower in overnight deals on Monday. Global oil benchmark Brent crude fell 0.29 per cent to USD 71.93 a barrel. Foreign Institutional Investors (FIIs) bought equities worth Rs 724.27 crore on Monday, while Domestic Institutional Investors (DIIs)

offloaded shares worth Rs 1,648.07 crore, according to exchange data.

On Monday, the 30-share BSE Sensex declined 200.66 points to settle at 81,508.46 while NSE Nifty dropped 58.80 points to close at 24,619.

## Rupee settles on a flat note near all-time low at 84.85 against US dollar

MUMBAI, DEC 10: The rupee settled for the day on a flat note higher by just 1 paisa at 84.85 (provisional) against the US dollar on Tuesday, a tad above its all-time low level, as change of guard at the Reserve Bank of India raised expectations of a shift in the central bank's monetary policy.

The government on Monday appointed Revenue Secretary Sanjay Malhotra as the 26th Governor of the Reserve Bank of India.

Forex traders said markets now expect a rate cut in the upcoming monetary policy in February. While a weak tone in the domestic markets and a surge in the US dollar index further pressurised the rupee.

At the interbank foreign exchange, the rupee opened at 84.80 and touched the lowest level of 84.86 against the greenback during intraday trade. The unit ended the session at 84.85 (provisional) against the dollar, higher by just 1 paisa from its



previous close.

On Monday, the rupee saw its steepest fall in over a month and plunged 20 paise to settle at lowest-ever level of 84.86 against the US dollar.

"We expect the rupee to trade with a negative bias on strength in the US dollar and overnight gains in crude oil prices. However, recent FII inflows may support the rupee at lower levels," said Anuj Choudhary - Research Analyst at Mirae Asset Sharekhan.

Choudhary further said that any intervention by the RBI may also support the rupee.

"Investors may remain cautious ahead of US inflation data on Wednesday. Inflation is expected to be higher than the previous month. USD-INR spot price is expected to trade in a range of 84.65 to 85.10," he said.

Shaktikanta Das, who will demit office as the Governor of the Reserve Bank of India on Tuesday, was the key man behind the planning and exe-

cution of the demonetisation drive and roll-out of the landmark goods and services tax (GST).

At the RBI, he steered India's monetary policy response during the challenging period of the pandemic.

The dollar index, which gauges the greenback's strength against a basket of six currencies, was trading higher by 0.13 per cent at 106.28.

Brent crude, the global oil benchmark, fell 0.36 per cent to USD 71.88 per barrel in futures trade.

On the domestic equity market front, the 30-share benchmark index Sensex closed on a flat note at 81,510.05, higher by just 1.59 points. The Nifty fell 8.95 points, or 0.04 per cent, to 24,610.05 points.

Foreign Institutional Investors (FIIs) were net buyers in the capital markets on Monday, as they purchased shares worth Rs 724.27 crore, according to exchange data.

## RBI approves Burman family entities' open offer to acquire 26% additional stake in REL

NEW DELHI, DEC 10: The Reserve Bank has approved the open offer of Burman family -- the promoters of FMCG major Dabur -- to acquire an additional 26 per cent stake in NBFC firm Religare Enterprises Ltd (REL).

The central bank also directed maintaining of the current board/management structure of REL.

The Reserve Bank of India (RBI) said it has granted its "approval for the proposed increase in shareholding of existing shareholders" -- four Burman family entities Pura Associates, VIC Enterprises, M B Finmart, and Milky Investment & Trading Company -- in Religare Enterprises Ltd (REL).

"The acquirers are advised to consolidate the NBFCs in the resulting structure/group (both Burman and Religare group) at the earliest and not later than March 31, 2026," the RBI said in a letter to Chairman of Religare Enterprises, a copy which was shared to the exchanges.

"The request for change of management/appointment



of four proposed directors -- Abhay Agarwal, Arjun Lamba, Ramanathan Gurusamy, and Suresh Mahalingam does not have our approval at this stage," it said.

It has "advised" REL to submit the names of the proposed directors, along with the board resolution, after ensuring that they are "fit and proper".

The Burman family -- a promoter of Dabur India and other entities such as Eveready Industries --

through its entities, had in September last year announced a Rs 2,116-crore open offer to REL shareholders to acquire up to 26 per cent stake in the company.

However, it has been contested by REL independent directors, who raised red flags alleging fraud and other breaches by Burman family entities and approached markets regulator Sebi, the RBI and the Insurance Regulatory and Development Authority. Burmans' are yet to receive

a go-ahead from Sebi over its proposed open offer.

The RBI has advised Burmans "to submit a concrete and specific consolidation plan, with specific timelines, duly supported by board resolutions from each of the NBFCs within the groups, within 90 days from the date of this communication".

It has also directed that it has to be informed about the date on which the Burmans acquired 26 per cent or more of the paid-up share capital of the NBFC.

The Reserve Bank further said if after the open offer, Burmans' shareholding in the REL "falls below 26 per cent, prior approval of RBI will be required to increase the shareholding of the acquirers in the NBFC to 26 per cent or more".

As of September 30, 2024, Burmans, through its four entities, collectively own a 25.12 per cent stake in REL.

Shares of Religare Enterprises Ltd were trading at Rs 287.75 on the BSE, up 3.66 per cent from the previous close.

## Restoring inflation-growth balance most important task ahead of RBI: Outgoing governor Shaktikanta Das

MUMBAI, DEC 10: Outgoing Reserve Bank Governor Shaktikanta Das said on Tuesday that restoring inflation-growth balance is the most important task ahead of the central bank.

Addressing a press conference on his last day as the central bank chief, Das said his successor will have to navigate the changing world order, effectively deal with cyber threats, and focus on harnessing new technologies.

New Governor Sanjay Malhotra, he hoped, would carry forward RBI initiatives like CBDC and ULI, besides promoting financial inclu-

sion. Listing out the issues before the central bank, Das said one of the most important tasks will be to restore the balance between inflation and growth.

The Indian economy is resilient and robust with capacity to deal with global spillovers very effectively, he said. The government has appointed Revenue Secretary Malhotra who will be taking over as the central bank chief on Wednesday.

Das, who will be demitting office after six years, said the coordination between the finance ministry and the Reserve Bank of India (RBI) has been at its best in the last six

years.

He also noted that the perspective of the finance ministry and the RBI can differ at times, but during his tenure all such issues were resolved through internal discussions.

Replying to questions, Das said RBI governors keep in mind requirements of wider economy and eventually it is a judgement call that every governor takes.

To a specific question, the governor said everyone is entitled to their views but as he looks at it, growth is impacted by multiplicity of factors, not just the repo rate.

He further said the RBI's effort has been to make mon-

etary policy as appropriate as possible, given prevailing economic conditions and outlook.

India's economic growth slowed to near two-year low of 5.4 per cent in the September quarter of this fiscal year due to poor performance of manufacturing and mining sectors. The gross domestic product (GDP) had expanded by 8.1 per cent in the July-September period of the previous fiscal year.

The government has tasked the RBI to ensure that consumer price index (CPI)-based inflation remains at 4 per cent with a margin of 2 per cent on either side.

## Air India expands fleet with 100 more Airbus aircraft, including A350s

NEW DELHI, DEC 10: Air India announced an order for 100 additional Airbus aircraft, including 10 A350 wide-body jets and 90 A320 family narrow-body planes as part of its fleet expansion strategy.

This order builds on the airline's 2023 commitment to purchase 470 planes from Airbus and Boeing, signalling a significant investment in capac-

ity to meet India's growing aviation demand, the airline in a statement said on Monday.

The latest order brings Air India's total Airbus procurement to 350 aircraft, an increase from the 250 ordered in 2023. The earlier Airbus order included 40 A350s and 210 A320 family jets.

Chairman Natarajan Chandrasekaran high-

lighted that India's rapid passenger growth, enhanced infrastructure, and global aspirations justify the airline's fleet expansion, positioning Air India for greater growth and enhanced global connectivity. As part of its transformation initiative, "Vihaan.AI", Air India also announced a collaboration with Airbus for Flight Hour Services-Component

(FHS-C), aimed at ensuring optimal reliability and performance of its A350 fleet. The contract includes engineering services and on-site stock maintenance in Delhi.

Airbus CEO Guillaume Faury expressed confidence in the partnership and support for Air India's transformation plan under the Tata group's leadership.

## Equity mutual funds inflow drops 14% in Nov; SIP figure remains flat at Rs 25,320-crore

NEW DELHI, DEC 10: Equity mutual funds witnessed an inflow of Rs 35,943 crore in November, marking a drop of 14 per cent on a month-on-month basis, amid heightened volatility in stock markets driven by various macroeconomic factors, geopolitical events and US election results.

Despite this, it marked the 45th consecutive month of net inflows into equity-oriented funds, reflecting the growing popularity of mutual funds among investors, according to data from the Association of Mutual Funds in India (AMFI) released on Tuesday.

Moreover, monthly contributions from the Systematic Investment Plan (SIP) remained flat at Rs 25,320 crore last month against Rs 25,323 crore in October.

"There was heightened volatility due to various macroeconomic factors, geopolitical events and the US election results. This resulted in investors opting for a wait & watch approach while allocating larger amounts and thus decline in lumpsum flows including flat SIP numbers for November 2024," Akhil Chaturvedi, CEO, Motilal Chaturvedi, said.

Overall, the mutual fund industry experienced an inflow of Rs 60,295 crore in the month under review, which

was way lower than Rs 2.4 lakh crore in October. This could be due to a huge decline in inflows in debt funds to Rs 12,915 crore in November from Rs 1.57 lakh crore in the preceding month.

Despite the decline, the industry's net assets under management rose to Rs 68.08 lakh crore last month from Rs 67.25 lakh crore in October.

"Defying a tumultuous month in the equity market, the mutual fund industry's assets reached a new pinnacle of Rs 68.08 lakh crore, driven primarily by robust inflows into growth-/equity-oriented schemes. The unwavering monthly SIP inflows remained above Rs 25,000 crore in November, showcasing the investors' long-term vision and commitment to their financial goals, despite the short-term market fluctuations," Venkat Chalasani, Chief Executive, AMFI, said.

As per the data, equity-oriented schemes witnessed an inflow of Rs 35,943 crore in November as compared to record inflow of Rs 41,887 crore in October.

"Weak global cues, China's recent economic stimulus, and escalating tensions between Ukraine and Russia impacted Indian equity markets in November 2024, which witnessed relentless selling by foreign portfolio

investors. The impact of this was seen on the Indian mutual fund industry as well, which witnessed 14.19 per cent drop in equity inflows in November on a month-on-month basis," Ashwini Kumar, Senior Vice President and Head Market Data, ICRA Analytics, said.

Within the equity schemes, sectoral or thematic category attracted investors with the highest net inflow of Rs 7,658 crore during the month under review. However, flow in the segment was less compared to Rs 12,279 crore in October and Rs 13,255 crore in September. This was followed by flexi cap funds which saw inflow of Rs 5,084 crore last month.

Inflows into large-cap funds declined 26 per cent to Rs 2,548 crore in November from Rs 3,452 crore in the preceding month, while mid and small cap funds registered month-on-month growth of 4.3 per cent to Rs 4,883 crore and 9 per cent to Rs 4,112 crore, respectively.

The month saw 18 new fund offerings (NFOs) collecting Rs 4,052 crore while October saw 29 NFOs garnering Rs 6,078 crore. Of this, new index funds launched in November were 10 as compared to 17 launched in October, Mayukh Datta, Chief Business Officer, IIT Mutual

Fund, said.

There has been a shift from low-risk categories like large-cap and hybrid funds to higher-risk options like small-cap funds, while NFO activity slowed down last month.

With regards to debt-oriented funds, Deepak Ramaraju, Senior Fund Manager, Shriram AMC, said that the category saw a 92 per cent month-on-month plunge in inflow to Rs 12,916 crore in November on the back of withdrawal from liquid funds due to tighter liquidity conditions and possible tax payments.

Overall, 9 out of 16 debt mutual fund categories recorded net inflows in November. Liquid funds experienced the highest outflows, amounting to Rs 1,779 crore.

"Meanwhile, investors showed a strong preference for categories like low-duration funds, ultra-short-duration funds, money market funds, corporate bond funds, and overnight funds. Together, these categories accounted for about 85 per cent of the inflows across nine categories that recorded positive figures, highlighting a strong preference for low-risk, highly liquid investment options," Nehal Meshram, Senior Analyst - Manager Research, Morningstar Investment Research India, said.