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Department of Commerce, LSR

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NEWSLETTER TO SPIKE YOU UP



VOLUME 9

15th January, 2023

THE UK RECESSION WILL BE ALMOST AS DEEP AS THAT OF RUSSIA, ECONOMISTS PREDICT

In its 2023 macro outlook, Goldman Sachs forecast a 1.2% contraction in U.K. real GDP over the course of this year, well below all other G-10 (Group of Ten) major economies. This would be followed by a 0.9% expansion in 2024. The figure places Britain only fractionally ahead of Russia, which is projected to see a 1.3% contraction in 2023 as it wages war in Ukraine and weathers punitive Western economic sanctions. This will be followed by a 1.8% expansion in 2024, Goldman figures suggest. The Wall Street giant forecasts U.S. expansions of 1% in 2023 and 1.6% in 2024.

POWELL SAYS FED MIGHT HAVE TO MAKE UNPOPULAR DECISIONS TO STABILIZE PRICES

Federal Reserve Chairman Jerome Powell on Tuesday emphasized the need for the central bank to be free of political influence while it tackles persistently high inflation. Fed Chairman Jerome Powell noted that stabilizing prices requires making tough decisions that can be unpopular politically. In other remarks, the central bank leader said the Fed is “not, and will not be, a ‘climate policymaker.’” “Price stability is the bedrock of a healthy economy and provides the public with immeasurable benefits over time. But restoring price stability when inflation is high can require measures that are not popular in the short term as we raise interest rates to slow the economy,” the chairman said in prepared remarks.

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SUBWAY REPORTEDLY EXPLORING POTENTIAL SALE AT \$10B VALUATION

The privately-held sandwich maker is in the early stages of the process and has tapped advisers to assist on a potential deal, the Wall Street Journal reported on Wednesday, citing people familiar with the situation. The report said it's possible Subway could still decide against selling the company.

"As a privately held company, we don't comment on ownership structure and business plans," Subway said in a statement. "We continue to be focused on moving the brand forward with our transformational journey to help our franchisees be successful and profitable."

TESLA AND THE EV INDUSTRY GET THEIR FIRST RECESSION STRESS TEST. WILL IT BE A BUST?

Auto companies are among the most sensitive to higher interest rates and a weaker consumer. The EV industry also has aspects of high-growth tech — the dot-com bust, and later boom, suggests the strong will survive a winnowing-out. Tesla is flush with cash and may generate \$4 billion more this quarter. Competitors like Rivian, Fisker and Lucid are the "middle tier" of the new industry.

One investor who has recently made money shorting the sector tells CNBC, "Those with the capital to get through 2023, we'd bet the farm on."

BANKS SEEK EXEMPTIONS ON SOVEREIGN GREEN BONDS

Banks have requested the Reserve Bank of India (RBI) to exempt them from maintaining cash reserve ratio (CRR), statutory liquidity ratio (SLR), and priority sector lending requirement for subscribing to sovereign green bonds to be floated in January and February. Such exemptions are also available for infrastructure bonds. In FY23 Budget, government announced first ever-sale of green bonds. Funds from green bonds aim at environmentally friendly projects. RBI to auction a total of Rs 16,000 CR of green bonds on Jan 25 and Feb 9.

JPMORGAN TOPS ESTIMATES FOR FOURTH-QUARTER REVENUE, BUT SAYS MILD RECESSION IS NOW ‘CENTRAL CASE’

JPMorgan Chase on Friday posted fourth-quarter profit and revenue that topped expectations as interest income at the bank surged 48% on higher rates and loan growth. Here's what the company reported: Earnings of \$3.57 per share, which doesn't compare with the \$3.07 estimate, according to Refinitiv. Revenue of \$35.57 billion vs. \$34.3 billion estimate. The bank said profit jumped 6% from the year earlier period to \$11.01 billion, fueled by the rise in net interest income to \$20.3 billion. The move was driven by a "modest deterioration in the Firm's macroeconomic outlook, now reflecting a mild recession in the central case" as well as loan growth from customers using their Chase credit cards, the bank said.

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POLITICS

<https://www.cnbc.com/2023/01/13/trump-organization-to-be-sentenced-for-criminal-tax-fraud-and-conspiracy.html>

TECH

<https://www.cnbc.com/2023/01/12/apple-ceo-tim-cook-receives-a-40percent-pay-cut-after-shareholder-vote.html>

CLIMATE

<https://www.cnbc.com/2023/01/13/bill-gates-we-will-overshoot-1point5-degrees-of-global-warming.html>

MARKETS

https://www.business-standard.com/article/markets/public-sector-firms-share-in-total-market-cap-at-a-three-year-high-123011200713_1.html

https://www.business-standard.com/article/markets/india-among-top-five-ecm-markets-globally-in-2022-shows-data-123011200945_1.html

REAL ESTATE

<https://www.cnbc.com/2023/01/04/mortgage-demand-plunges-interest-rates-rise.html>

GLOBAL INVESTORS SUMMIT FT. MP

https://www.business-standard.com/article/economy-policy/mp-attracts-investment-intentions-in-excess-of-rs-15-42-trn-in-gis-meet-123011201218_1.html

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