

# SECTORAL REPORT

## PSUBANK

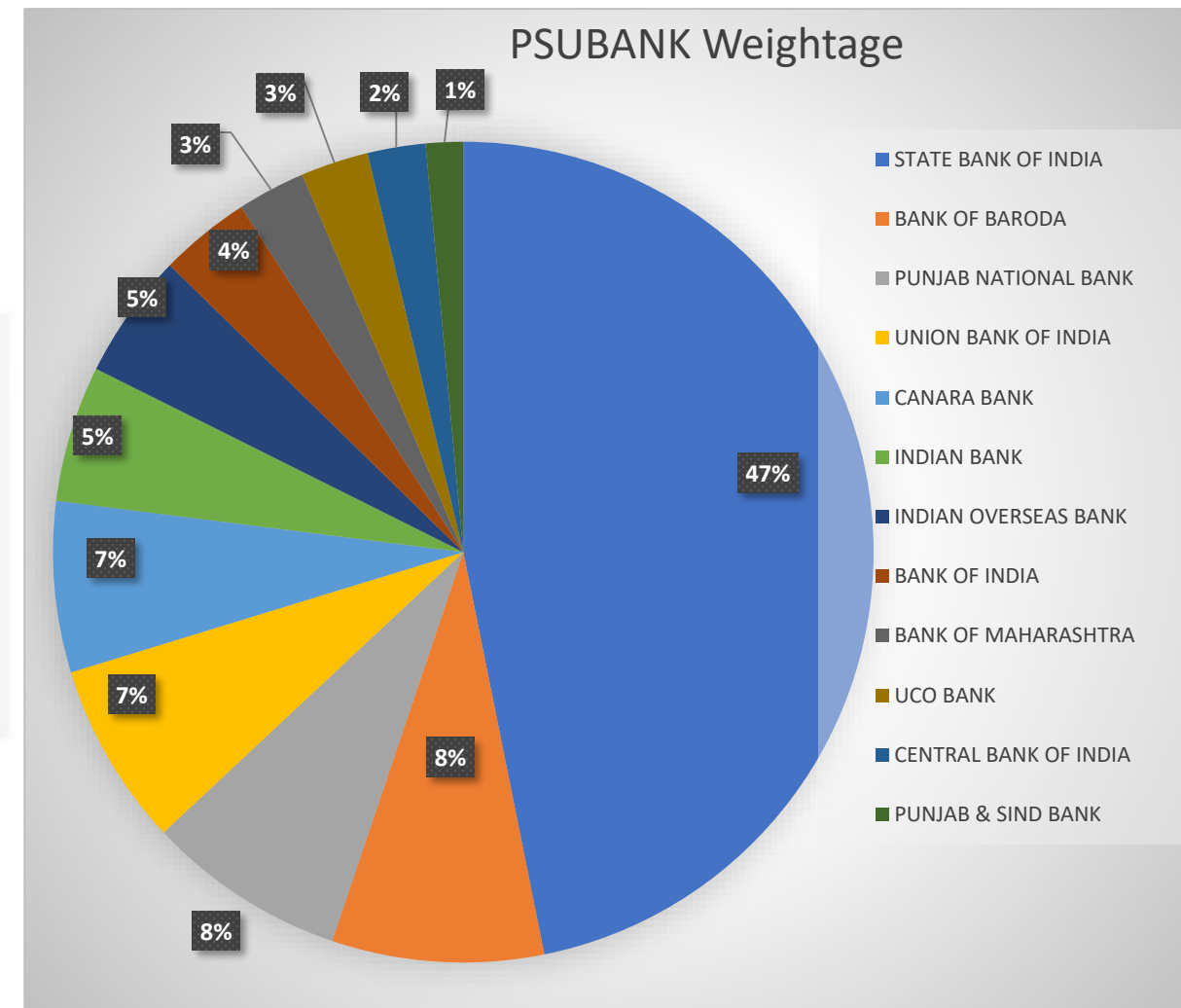


# PSUBANK industry introduction.

India's banking sector stands as a pillar of the nation's economic progress, playing a vital role in mobilising capital, expanding credit access, and driving financial inclusion. While it continues to navigate challenges such as regulatory shifts, rising operational costs, and growing competition from fintech players, the sector is simultaneously embracing opportunities brought by digital innovation, structural reforms, and evolving customer needs. From UPI's global reach to a surge in fintech investments and grassroots financial schemes like Jan Dhan Yojana, India's banking landscape is undergoing a dynamic transformation—laying the groundwork for a more inclusive, tech-driven, and resilient financial ecosystem.

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world.

Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.



# Market size.

The Indian banking system consists of 13 public sector banks, 21 private sector banks, 44 foreign banks, 12 Small finance banks. As of June 2024, the total number of micro-ATMs in India reached 15,17,580.

Moreover, there are 1,26,772 on-site ATMs and Cash Recycling Machines (CRMs) and Banks added 2,796 ATMs in the first four months of FY23, against 1,486 in FY22 and 2,815 in FY21. 100% of new bank account openings in rural India are being done digitally. BCG predicts that the proportion of digital payments will grow to 65% by 2026.

In 2024, total assets in the public and private banking sectors were Rs. 16,128,080 crore (US\$ 1,861.72 billion) and Rs. 1,09,52,458 crore (US\$ 1,264.28 billion), respectively. Assets of public sector banks accounted for 59.53% of the total banking assets (including public, private sector and foreign banks).

The interest income of public banks reached Rs. 11,09,730 crore (US\$ 128.1 billion) in 2024. In 2024, interest income in the private banking sector reached Rs. 8,29,049 crore (US\$ 95.7 billion).

Digital payments have significantly increased in recent years, because of coordinated efforts of the Government and RBI with all the stakeholders, UPI volume for FY25 (until June) recorded to 2,762. India accounts for nearly 46% of the world's digital transactions (as per 2022 data). As on July 2024, there were 602 banks actively using UPI.

According to RBI's Scheduled Banks' Statement, deposits of all scheduled banks collectively surged by a whopping Rs. 2,28,91,936 crore (US\$ 2,626.13 billion) as on January 10, 2025.



# TECHNICAL OVERVIEW NIFTY PSUBANK – 6,976.00 (Monthly CHART)

- The Nifty PSU Bank index has been one of the standout performers, outperforming the broader market. While the Nifty gained 1.71% on a monthly basis, the Nifty PSU Bank index posted a strong gain of 6.63%.
- On the monthly chart, the index successfully broke above a falling trendline resistance and closed above it. It is also trading above the 50-month exponential moving average (50-MEMA), reinforcing the ongoing bullish momentum. The index continues to exhibit a bullish structure, forming higher highs and higher lows.
- **To maintain its upward trajectory, the index must break above the key resistance level of 6,995. A sustained move above this level could further strengthen the bullish trend. On the downside, 6,740 will act as the initial support; a breach below this level may trigger increased selling pressure.**



# SECTOR REPORT PERFORMANCE

DATE	MONTHLY SECTOR	PERFORMANCE
02/05/25	NIFTY AUTO	UP BY 4.56% IN THE MONTH OF MAY
01/04/25	NIFTY PSUBANK	UP BY 4.45% IN THE MONTH OF APRIL
03/03/25	NIFTY FINANCE	UP BY 8.88% IN THE MONTH OF MARCH
01/02/25	NIFTY AUTO	DOWN BY -10.36% IN THE MONTH OF FEB
01/01/25	NIFTY IT	DOWN BY -1.56% IN THE MONTH OF JAN
02/12/24	NIFTY METAL	DOWN BY -4.25% IN THE MONTH OF DEC
4/11/24	NIFTY FINANCE	UP BY 0.52% IN THE MONTH OF NOV
1/10/24	NIFTY METAL	DOWN BY -6.22% IN THE MONTH OF OCT
2/09/24	NIFTY AUTO	UP BY 3.26% IN THE MONTH OF SEPT

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