

NEWSPAPER HIGHLIGHT

Foreign owned assets in India increased by \$37.3 billion during the July-September quarter (Q2), according to RBI data. Indian residents' overseas financial assets rose \$31.9 billion, almost three-fourths of which came from build up in reserve assets. This partly reflects the allocation of special drawing rights (SDRs) by the International Monetary Fund (IMF) in August 2021, the Reserve Bank of India (RBI) said.

Sri Lanka announced its decision to sign three lease agreements on developing the strategic Trincomalee oil tank farm with India, after the Rajapaksa administration negotiated a "suitable" deal for 16 months. The announcement, signalling forward movement in a long dragging project, is significant for New Delhi following a year of diplomatic strain beginning early 2021, when Sri Lanka unilaterally cancelled a tripartite agreement to develop a Colombo port terminal with India and Japan.

The Rajya Sabha reported the second lowest annual productivity at 59% in 2021 since its inception. The silver lining in the otherwise bleak picture is above average performance by the Parliamentary Standing Committees under the Upper House. According to the Rajya Sabha secretariat, 2021 with 59% of annual productivity was second lowest. The lowest was reported in 2018 with 36% productivity.

Hours before the new GST rate was to take effect, the GST Council decided to temporarily roll back the increase in tax rate for the textiles sector. The move follows demands from several States, including Gujarat, West Bengal and Tamil Nadu.

The Union Home Ministry extended by another three months the validity of the licences of FCRA registered NGOs which were not renewed by December 31. The extension in "public interest" will, however, bring no relief to Missionaries of Charity (MoC), founded by Mother Teresa, as the Ministry said nongovernmental organisations (NGOs) whose request for renewal was turned down would not be eligible to receive or utilise the foreign contributions in their designated bank accounts.

The National Capital Region Transport Corporation (NCRTC)

LA NINA & MONSOON

1. La Niña ('little girl' in Spanish) and El Niño ('little boy') refer to the see-sawing of surface temperatures of the Pacific Ocean. El Niño and La Niña are the opposite phases of the El Niño-Southern Oscillation (ENSO) cycle of the Pacific Ocean. It involves changes in the sea-surface temperatures (SSTs) in the waters of the Eastern and Central Pacific Ocean. It is a recurring phenomenon and the change in temperature is accompanied by changes in the patterns of upper and lower level winds, sea level pressure, and tropical rainfall across the Pacific Basin.

2. Impact of La Niña on the North-East monsoon-**While a La Niña is known to enhance rainfall associated with the South-West monsoon, again with exceptions, it has correlated negatively with the North-East monsoon.** This is due to two reasons, Low-pressure areas, depressions or cyclones form relatively north to their normal position during a La Niña year. Instead of moving West-North-West towards the East Coast of India, they tend to recurve and move away, robbing the South Peninsula of its share of rainfall.

3. La Niña this year-**Normally, La Niña subdues the concurrent North-East monsoon. But, this year, La Niña is contributing to the excessive NE monsoon.** This is due to the rain-driving low-pressure areas/depressions in the Bay of Bengal/Arabian Sea so far. The Indian Ocean Dipole (IOD) or Indian Niño had gone from a slightly negative mode into neutral even as the NE monsoon was establishing. [IOD involves a periodic oscillation of SST between positive, negative and neutral.] Negative IOD could have wrecked the NE monsoon irrespective of the Pacific mode, since warming of the East Indian Ocean could divert rain systems away from the Bay.

4. Weather systems seek out the nearest warm water pool to thrive and prosper. Given the neutral IOD phase, the flows from upstream South China Sea/ West Pacific may have been directed into the Bay, beefing up the NE monsoon. Monitoring the SSTs of the 'Niño' regions of the Equatorial Pacific shows that these phenomena may recur every 3 to 5 years. Each cycle lasts 9 months to a year or perhaps even more, manifesting in floods/drought across geographies.

MOLNUPIRAVIR

1. The Central Drugs Standard Control Organisation (CDSCO) cleared the first anti-viral Covid-19 pill: Molnupiravir. Developed initially to treat influenza, Molnupiravir (MK-4482, EIDD-2801) is repurposed as an anti-viral candidate to treat Covid-19 patients. It is an oral form of potent ribonucleoside analogues that works by introducing errors into the SARS-CoV-2 virus' genetic code, which prevents the virus from further replicating.

2. This prevention of replication reduces the severity of the disease. In India, the drug has been cleared for the treatment of adult patients with Covid-19 and who have a high risk of progression of the disease. [Risk factors include Obesity, Older age (>60 years), Diabetes mellitus, or Heart disease.]

3. Analogues-**Nucleoside and nucleotide analogues are the two types of analogues. They can be used in therapeutic drugs, include a range of antiviral products used to prevent viral replication in infected cells.** Nucleoside analogues are nucleosides which contain a nucleic acid analogue and a sugar. This includes any group of antiviral drugs that inhibit the viral enzyme reverse transcriptase and are used in the treatment of HIV infection.

4. Nucleoside analog inhibitors compete with nucleotide substrate to bind to the active site of polymerase. Once they are incorporated into the elongation chain of nucleic acid, chain termination results. Similar to nucleoside analogues, Nucleotide analogues are nucleotides which contain a nucleic acid analogue, a sugar, and a phosphate groups with one to three phosphates.

24th FINANCIAL STABILITY REPORT

1. The RBI has released the 24th Financial Stability Report (FSR). FSR - The FSR is published twice each year (biannual) by the

hopes to deliver what it promised a year in advance with the construction of the Capital's biggest transport hub, the Regional Rapid Transit System (RRTS) station in Sarai Kale Khan, unfolding at a faster pace than expected. The high speed rail project, once completed, will connect the Capital with neighbouring Uttar Pradesh, Haryana and Rajasthan through journeys which will be reduced to minutes from hours aboard trains moving at a speed of up to 180 kilometres per hour.

The Income Tax Department on Friday claimed to have detected multiple irregularities on the part of two companies manufacturing Chinese mobile phones, during the pan India searches initiated on December 21.

The National Investigation Agency (NIA) has registered a case against Jaswinder Singh Multani, a Germany based operative of Sikhs for Justice (SFJ), and his associates for allegedly attempting to revive terrorism in Punjab. Following a directive from the Central government, the agency has initiated the probe under various provisions of the Indian Penal Code and the Unlawful Activities (Prevention) Act. An NIA team may soon visit Germany to pursue the leads in the case.

The Embassy of China has written to a group of MPs asking them to "refrain" from supporting the cause of Tibetan independence. The move, which is being interpreted as a rare and undiplomatic interference, came after six MPs from the All Party Indian Parliamentary Forum for Tibet attended a meeting in a Delhi hotel. "As is known to all, the so called 'Tibetan Government-in-Exile' is an out and out separatist political group and an illegal organisation completely in violation of China's Constitution and laws. It is not recognised by any country in the world," wrote Zhou Yongsheng, Political Counsellor of the Chinese Embassy in India.

President Joe Biden has warned Russia's Vladimir Putin that the U.S. could impose new sanctions against Russia if it takes further military action against Ukraine, while the Russian leader responded that such a U.S. move could lead to a complete rupture of ties between the nations.

A total of 45 journalists were killed worldwide in 2021, the Brussels-based International Federation of Journalists (IFJ) said — "one of the lowest death tolls" it has recorded for any year. "While this decrease is welcome news, it is small comfort in the face of continued violence," the IFJ said in statement. The toll

RBI. It reflects the collective assessment of the sub-committee of the financial stability and development council (FSDC) on risks to financial stability and the resilience of the financial system. [FSDC is an umbrella group of regulators which gives an overview of the health of India's financial system.]

2.The FSR primarily looks at questions like the following: Do Indian banks (both public and private) have enough capital to run their operations? Are the levels of bad loans (or non-performing assets) within manageable limits? Are different sectors of the economy able to get credit (or new loans) for economic activity?

3.As part of the FSR, the RBI also conducts 'stress tests', which may figure out what might happen to the health of the banking system if the broader economy worsens. Similarly, it also tries to assess how factors outside India might affect the domestic economy. Each FSR also contains the results of the Systemic Risk Surveys.

4.Highlights of the 24th Report-The global economic recovery has been losing momentum in the second half of 2021 in the face of Resurfacing COVID-19 infections, Supply disruptions and bottlenecks, Elevated inflationary levels and Shifts in monetary policy stances and actions across advanced economies and emerging market economies. On the domestic front, progress in vaccination has enabled the recovery to regain traction after the debilitating second wave of the pandemic, despite signs of slowing pace more recently.

5.The corporate sector is gaining strength and bank credit growth is improving. As per the 'stress tests', balance sheets of banks remain strong and capital and liquidity buffers are being bolstered to mitigate future shocks. **Capital to risk-weighted assets ratio (CRAR) of scheduled commercial banks (SCBs) rose to a new peak of 16.6% and their provisioning coverage ratio (PCR) stood at 68.1% in September 2021.**

6.Macro stress tests for credit risk indicate that the gross non-performing asset (GNPA) ratio of SCBs may increase from 6.9% in September 2021 To 8.1% by September 2022 under the baseline scenario and To 9.5% by September 2022 under a severe stress scenario. However, SCBs would have sufficient capital, both at the aggregate and individual levels, even under stress conditions. Emerging signs of stress in MSME as also in the micro finance segment call for close monitoring of these portfolios going forward.

QUANTUM ENTANGLEMENT

1.Scientists have identified the first "quantum entangled" animal in history-frozen tardigrade, in a recent study. Frozen tardigrade are microscopic multicellular organisms known to tolerate extreme physiochemical conditions through a latent state of life known as cryptobiosis.

2.Cryptobiosis: Also known as anabiosis, it is a metabolic state of life entered by an organism in response to adverse environmental conditions such as desiccation, freezing, and oxygen deficiency. In the cryptobiotic state, all measurable metabolic processes stop, preventing reproduction, development, and repair. When environmental conditions return to being hospitable, the organism will return to its metabolic state of life as it was prior to the cryptobiosis.

3.Quantum Entanglement: **It is the physical phenomenon that occurs when a pair or group of particles is generated and they interact in such a way that the quantum state of each particle of the pair or group cannot be described independently of the state of the others.** In this quantum mechanical phenomenon, the quantum states of two or more objects have to be described with reference to each other, even though the individual objects may be spatially separated. This leads to correlations between observable physical properties of the systems. Albert Einstein dismissed this idea as a 'spooky action'.

4.Significance: Quantum entanglement is one of the peculiarities of quantum mechanics, which makes phenomena such as quantum teleportation and super-dense coding possible.

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP(RCEP)

1.The RCEP will come into effect on January 1, 2022, marking the formation of the world's largest free trade zone in terms of trade volume. What is RCEP? It is a trade deal between the 10-member Association of Southeast Asian Nations (ASEAN) and China, Japan, South Korea, Australia and New Zealand.

included nine in Afghanistan, the highest number suffered by a single country. Elsewhere, eight died in Mexico, four in India and three in Pakistan.

India's Balance of Payments (BoP) position moved to a deficit of \$9.6 billion in the quarter ended September (Q2), as widening trade deficit weighed. At 1.3% of GDP, this compares with a surplus of \$6.6 billion in the immediately previous quarter and with a surplus of \$15.3 billion a year earlier. "The deficit in the current account in Q2 was mainly due to widening of trade deficit to \$44.4 billion from \$30.7 billion in the preceding quarter and an increase in net outgo of investment income," the RBI said.

2.Aims and Objectives of RCEP: To lower tariffs, open up trade in services and promote investment to help emerging economies catch up with the rest of the world. To help reduce costs and time for companies by allowing them to export a product anywhere within the bloc without meeting separate requirements for each country. It also touches on intellectual property, but will not cover environmental protections and labour rights.

3.India did not joined? **India withdrew from the RCEP largely because of concerns it would open it up to Chinese goods amid an already wide trade imbalance with China,** and the failure of the agreement to adequately open up to services.

4.Need for India's presence in RCEP-**India had "a crucial role" to play in helping the region build an inclusive architecture at a time of increasing global instability.** Such trade pacts will also give Indian companies a platform to showcase their strengths across even larger markets. Besides, Rising U.S.-China tensions were "deeply worrying" for the region with the pandemic resulting in "heightened tension".

