



ABSOLUTE FINANCE

PGDM (2019-2021)

7th November 2020

FINANCE THROUGH THE LENS OF DIFFERENT SECTORS

TOP NEWS

At 88%, India's market cap-to-GDP ratio is now highest in 12 quarters

MUHURAT TRADING WRAP: Sensex gains 195 pts to close at fresh high of 43,638.

PNB To raise funds through QIP in December.

Future Retail, Amazon file caveat petitions before Delhi High Court.

Pharma products worth Rs 358 cr sold through Jan Aushadhi stores in Apr-Oct

Reliance got 7000 crores Investment from Public Investments Fund for 2.7% Stake in Retail Reliance.

Whatsapp has a clean chit for opening the UPI platform.

New Reforms pursues Buyers of Real Estate with lower stamp duty and tax Exemption.

INFRASTRUCTURE:

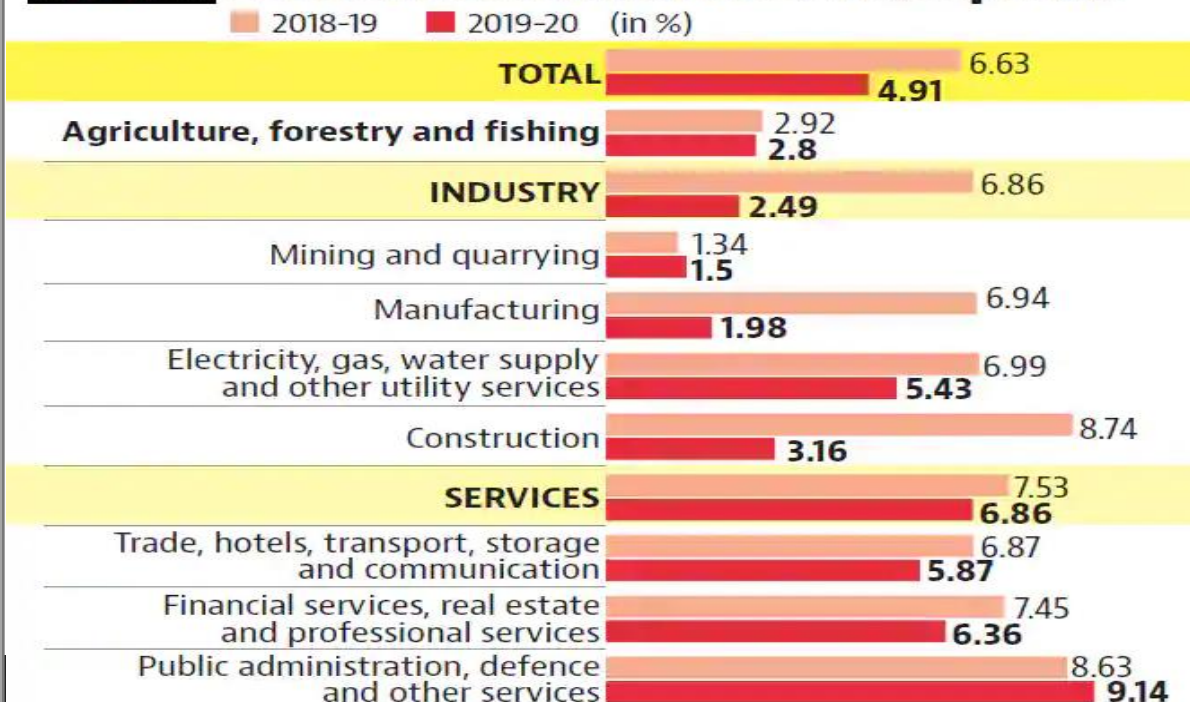
- ★ NCR Planning Board released Rs 12,441 crore loan for infrastructure projects till Sep 27: HUA
- ★ Govt invites proposals for development of EV charging infrastructure on major highways.

AUTO:

- Govt. support in GST cut to aid entire PV industry: Tata Motors.
- Mitsubishi invests in TVS Supply Chain Solutions for minority stake
- India has opportunity to get ahead in global supply chain reconfiguration race: KPMG report.
- Passenger vehicle retail sales dip 9 per cent in October: FADA
- Nitin Gadkari asks automakers to reduce EV cost, forgo profit initially to capture market

STATE OF THE INDIAN ECONOMY

CHART 1 Economic slowdown is widespread



INVESTMENT

NEWS

Reliance Retail buys 96% stake in Urban Ladder for over Rs 182 crore.

HFCL: Promoter entity MN Ventures acquired further 10 lakh equity shares, increasing stake to 21.85%.

Uflex : CRISIL reaffirmed long term credit rating at A/Stable.

MICROMAX: Attempting a comeback with a nationalistic vigor.

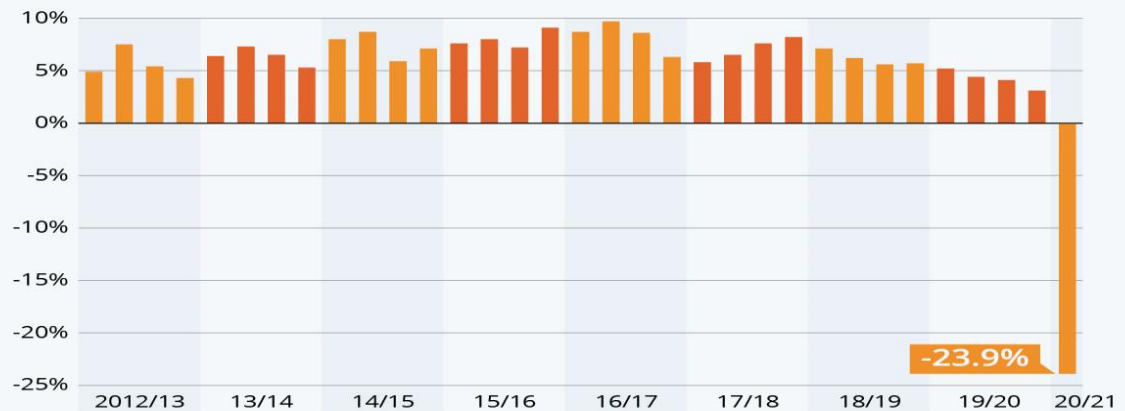
Banks: Charges are to be levied on deposit and withdrawal.

HDFC AMC, Adani Gas among candidates for inclusion in F&O segment

FPIs remain positive on Indian markets; put in Rs 35,109 cr in Nov so far

India's GDP Collapses In Face of Pandemic

Quarterly GDP growth in India (year-over-year, at constant 2011-12 prices)*



* India's financial year runs from April 1 to March 31

Source: Indian Ministry of Statistics and Programme Implementation



statista

BANKING

- ★ Indian banks see revival in loan growth but concerns linger
- ★ RBI allows co-origination of PSL loans by banks and NBFCs
- ★ A penalty of Rs 10 lakh has been imposed on Millath Co-operative Bank the Reserve Bank of India (RBI) said in a statement.
- ★ Non-food bank credit growth decelerated to 5.8% in September
- ★ Bank of Maharashtra cuts repo-linked lending rate by 15 basis points to 6.90%
- ★ Indian Overseas Bank seeks about Rs 1,000 cr capital support from government.
- ★ Bank credit rise 5.06 per cent, deposits up by 10.12 per cent: RBI data.

FINANCE

- ★ NBFCs with substantial systemic risks must be subjected to higher degree of regulation: RBI DG.
- ★ I-T refunds worth Rs 1.29 lakh cr issued to 39.49 lakh taxpayers

INSURANCE

- ★ The private sector non-life insurance players reported a 5.04 per cent fall in premium at Rs 11,814.71 crore in September 2020 as against Rs 12,442.35 crore a year ago.

HEALTHCARE:

- ★ Indian Pharma exports is on course to cross \$23b for the first time this fiscal. Pharma exports soar 15% in first half of FY21.

MANUFACTURING:

- ★ Government to bring PLI scheme to promote domestic agro-chemicals manufacturing: Mandaviya.

Results Q2 Last Week

CPILA: Q2 net profit of Rs 6.65B vs 4.17B(YOY)

LALPATHLAB: Company Recommended Interim Dividend of Rs 6/ share. EBITDA Rs 1.27B vs 1.09B(YOY).

Future Retail posts net loss of Rs 692 cr in Q2, revenue declines 74%.

Satin Creditcare Q2 net drops 70% to Rs 16 cr hit by higher provision.

Indiabulls Real Estate posts Rs 76 cr net loss in September quarter.

ONGC Q2 net profit down 55% at Rs 2,878 cr due to lower crude oil price.

Tata Steel Q2 net halves to Rs 1,665 cr as tax expenses hit bottom line

GIC Re posts Rs 230 crore net profit for September quarter.

Eveready Industries' Q2 net profit jumps 3-fold to Rs 57 crore

Mergers and Acquisitions

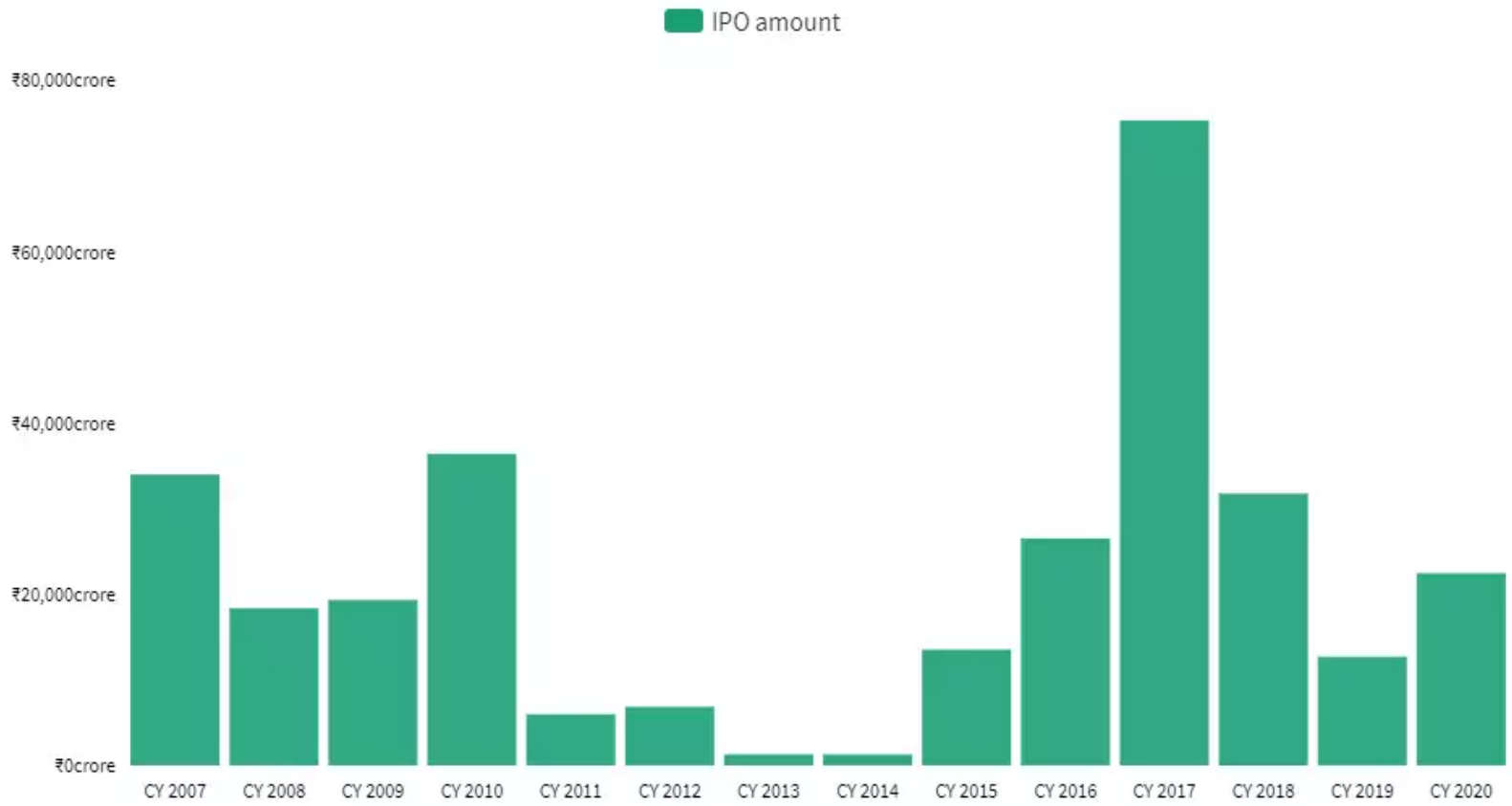


- ❖ CCI approves acquisition of General Insurance Business of Bharti AXA by ICICI Lombard.
- ❖ Adani Gas acquires 3 geographical Areas for Gas Distribution.(Ludhiana, Jalandhar, Kutch[east]).
- ❖ New Mountain Capital announced to acquire Natrol.
- ❖ Wipro to Acquire Encore theme technologies PVT.ltd
- ❖ DR. Reddy's to Appoint Parag Agarwal as new CFO.
- ❖ Ramesh Lakshminarayanan joins as a CIO (Chief Information Officer) from rating agency Crisil.
- ❖ AMFI appoints Vikas Bajaj as president.
- ❖ New CEO of Air India Express Alope Singh takes charge

INTERNATIONAL NEWS

- ❖ IMF forecasted Indian GDP to contract by 10.3% this year.
- ❖ Asian Equity Market Trading Mixed after US Futures Reopened trade with a risk on bias.
- ❖ OIL Prices Jumps 2% on Wednesday as crude Inventory in United States dropped sharply.
- ❖ Jack Ma's Ant Group: World's biggest market debut suspended.
- ❖ Lupin expects 18.5% EBITDA margins in the second half of FY21 led by rebound of US, India businesses
- ❖ The Justice Department just seized a record \$1 billion in bitcoin.
- ❖ TikTok Parent ByteDance Seeks to Raise Cash at \$180 Billion Valuation.
- ❖ Alibaba passes IBM in cloud infrastructure market with over \$2B in revenue.
- ❖ Ayar raises \$35M for optical interconnect tech to overcome computing bottlenecks in the CPU.

Amount raised via IPO s in each calendar year



Source: IIFL Securities

IPO's:

- **Net Pix Shorts Digital Media Ltd. (IPO)**
- **Gland Pharma issue subscribed 2.06 times.**
- **Indigo Paints files papers with market regulator Sebi for Rs 1,000-cr IPO**

Event's of the week:

- ❖ Fiscal stimulus 3.0 was this week's delight which focused on employment creation..
- ❖ The total relief measures announced by the Centre and the RBI amounts to Rs. 29.87 trillion, or 15% of the GDP.
- ❖ Nifty50 index after a non-stop rally of over 1000 points is now trading near its all-time highs and infact has now taken a breather to consolidate its gains.
- ❖ The index has become overbought in the short term and a profit-booking move cannot be ruled out.
- ❖ BSNL is giving away free SIM cards for limited period.

What is Muhurat Trading?

Muhurat trading is a special occasion for traders and investors in India. In Hindi, muhurat means auspicious time. Though the exchanges remain close for Diwali, the market opens for a special session or muhurat trading in the evening. It is a big event for traders and brokers alike as they believe that trades carried out during this one hour will bring good luck for the next year. In 2020, muhurat trading will happen on November 14. The particular trading window will open at 6:15 pm and close at 7:15 pm.

Since Diwali signifies the beginning of the Hindu accounting year, traders engage in buying and selling securities to mark its onset. They perform traditional worshipping of accounting books and money chests before the trading session starts. It is a century-old tradition among the Gujarati and Marwaris, the two prominent business communities. The practice of muhurat trading began in 1957 in BSE.

DID YOU KNOW?



- The participation of the common people in Indian share market is below a satisfactory level. Less than 2.5% population of India invest in the market.
- When master blaster (Sachin Tendulkar) used to play international cricket, his dismissal adversely affected the Indian stock market.
- World's oldest stock exchange was established in the year 1602 called Amsterdam stock exchange
- World's most expensive stock is of Warren Buffett's company – Berkshire Hathaway (Class A). One stock of Berkshire Hathaway costs 284,900 USD (on 30 November'2017), which is equivalent to Rs 1.85 crores.
- There are 12 stock exchanges in India.
- Do you know U.S markets (S&P500 & Dow Jones Industrial Average) and UK's FTSE100 contracts can be traded in NSE?
- BSE is one of world's top exchanges in terms of listed members. It has more than 5,000 companies on the list.
- Did you that on Nov, 2014 India became one of top 10 markets in the world by market capitalization? India market capitalization is approx. \$1.6 trillion & it is ahead of Switzerland & Australia markets based on Market Cap.
- Only 2% of Indian household savings are being directed to Equity markets, Indians are so risk-averse!

TERMINOLOGY:

Subvention: Government sometimes asks financial institutions to provide loans to farmers at below market rates. The loss is usually made good through subventions.

Qualified Institutional Placement (QIP): The QIP allows an Indian-listed company to raise capital from domestic markets without the need to submit any pre-issue filings to market regulators.

Wholesale Price Index (WPI): An index that measures and tracks the changes in the price of goods in the stages before the retail level.

Caveat petition: A precautionary measure taken by a person who holds a strong fear or uneasiness that some or the other case against him/her is going to be filed in the court of law regarding any manner.