

EDITION

28



NSB | Business
School
ACADEMY

A | ABSOLUTE FINANCE

12-06-2021



₹ FOREX RESERVES \$

NATIONAL & INTERNATIONAL

- Allies hope to bond, look beyond virus at G-7 summit in the UK.
- El Salvador becomes 1st country to adopt bitcoin as legal tender.
- Global food prices are at their highest in a decade, UN says.
- Two things could trigger the next financial crisis, says veteran strategist David Roche.
- The U.S. to buy 500 million Pfizer Covid vaccines to share globally, source says.
- Chinese factories worried about profits face a record gap between rising production costs and selling prices.
- Mahindra picks Tata Motors design head Pratap Bose to lead global design organisation.
- ED issues FEMA notice to India's largest cryptocurrency exchange WazirX.
- Icria projects GDP growth at 8.5% in FY2022.
- Home loans grew 76% to Rs 79,043 crore in the March quarter, shows data.
- Passenger vehicle sales dip 66% in May amid Covid disruptions: SIAM.



FUNDINGS

1. Eightfold AI raises \$220 million at \$2.1 billion valuation.
2. Shyplite raises \$1 million from N+1 Capital.
3. Refyne raises \$16 million in Series A funding from RTP Global, others
4. Cardekho in talks to raise \$150 million, may get unicorn status

M&A

1. Tata Digital to acquire a majority stake in e-pharmacy 1MG
2. Wipro to acquire Eximius Design for nearly ₹586.3 crore
3. Mindtree to acquire L&T's NxT Digital Business for ₹198 cr
4. Adani Green to acquire SB Energy's India portfolio for \$3.5 bn

BANKING & FINANCE

- Union Bank of India reports Rs 1,330-crore net as asset quality improves
- Central Bank of India inks co-lending pacts with Indiabulls Housing, IIFL Home Finance
- Large market, ready infra make India top destination for digital banks: BCG
- PSBs looking at privatization may come out with attractive voluntary retirement schemes
- SBI likely to transfer Rs 20,000 crore NPAs to National Asset Reconstruction Company
- DHFL lenders may move NCLT against guarantors
- Financial creditors may realize Rs. 55,000-60,000 Cr through IBC in FY22: Report
- Insurance industry to maintain steady growth momentum: Max Life
- MFIs 30-plus delinquency may rise to 14-16 pc in June: Report



2.

SONA COMSTAR



4.



TOP GAINERS

NIFTY SENSEX

Company	Price	Change	%Gain
Tata Steel	1,158.35	43.90	3.94
Coal India	162.65	6.15	3.93
JSW Steel	731.20	25.40	3.60
Dr Reddys Labs	5,453.00	160.95	3.04
Hindalco	393.15	7.75	2.01



TELECOM

STEEL INDUSTRY

- Vodafone Idea launches cloud based security solution for enterprise business
- RailTel Corporation bags Rs 120 cr order from Bharat Coking Coal
- Fresh BSNL 4G tender to keep Huawei, ZTE out with no-neighbour policy.
- Rs 12,195-crore PLI for telecom aimed at increasing production, creating jobs: DoT official
- Jio starts providing vaccine availability info to users via WhatsApp
- EESL partners with MECON to support energy efficiency in steel, mining industry
- Steelmakers to report better earnings and improve utilization in H2 of FY22: Analysts
- Steel becomes costlier; companies hike rates by up to Rs 4,900/tonne in India
- Highway construction companies seek curbs on steel exports as domestic prices surge
- JSW Steel sues top US competitors for metal 'conspiracy'



AGRICULTURE

- Rising corn exports amid rally in global price ease supply concerns
- Centre hikes local rice purchase price by 3.9% amid farmer protests
- Govt hikes MSP on kharif crops for 2021-22 amid farm protests
- Centre buys record 418.47 lakh tonnes wheat for Rs 82,648 cr in 2021



- The reductions and exemptions in GST rates will remain in effect till August 31, 2021
- Covid vaccines will continue to attract Goods and Services Tax at 5 per cent
- Medication to treat mucormycosis, widely known as black fungus, will not be taxed under the indirect tax regime
- GST rate for Remdesivir has been reduced from earlier 12 per cent to 5 per cent
- Tax on ambulances has been brought down from the highest slab of 28 per cent to 12 per cent
- Tax rates for oxygen, oxygen generation devices and related medical devices has also been brought down to 5%



BI-MONTHLY MONETARY POLICY

- RBI will buy Rs 40,000 crore of govt securities on June 17
- Rs 1.20 lakh crore G-Sec will be purchased in Q2
- RBI projects retail inflation at 5.1 per cent in FY 2021-22
- Reverse Repo Rate & Repo Rate has been kept unchanged
- India's GDP Growth for FY 2021-2022 will 9.5 per cent

WHAT IS FOREX RESERVES?

- Forex reserves or Foreign Exchange Reserves are cash and other reserve assets such as gold held by a central bank
- Foreign exchange reserves assets can comprise banknotes, deposits and government securities as well as gold reserves, special drawing rights (SDRs), and International Monetary Fund (IMF) reserve positions, etc.
- Forex reserves cross 600 billion USD 1st time and India placed at 5th position

HOW FOREIGN EXCHANGE RESERVES WORK

The country's exporters deposit foreign currency into their local banks. Then the exporters exchange them for the local currency. They use it to pay their workers and local suppliers.

The banks prefer to use the cash to buy sovereign debt because it pays a small interest rate. The most popular are Treasury bills because most foreign trade is done in the U.S. dollar due to its status as the world's global currency.

PURPOSE OF FOREX RESERVES

1. Countries use their foreign exchange reserves to keep the value of their currencies at a fixed rate.
2. To maintain liquidity in case of an economic crisis.
3. To provide confidence; The central bank assures foreign investors that it's ready to take action to protect their investments.
4. Reserves are always needed to make sure a country will meet its external obligations.

IMPORTANT DATA

IIP of Mining	108.0
IIP of Manufacturing	125.1
IIP of Electricity sectors	174.0
GDP per capita	99,694
WPI	10.49%
CPI	4.2%
(GFCF) to GDP	34.3%
(GFCF) to GDP	34.3%
Real GDP	9.8%
Real PFCE	10.8%
Real GFCF	11.4%
Capacity Utilization	66.6%
Cash Reserve Ratio	4%
Manufacturing PMI	50.8
Services PMI	46.4
Average Long-term Government Bond	3.76%

STOCK MARKET UNKNOWN FACT

- There is a 'pirate stock exchange' in Somalia where locals can invest in pirate gangs planning hijacking missions.

The Bear and Bull analogy comes from California

The first Stock Market Bubble dates from 1720

NSE introduced derivatives on Global Indices in August, 2011

- 24th edition of the Annual Global CEO Survey → 5th
- Economic Freedom Index 2021 → 121st
- World Competitive Index 2020 → 43rd

INDIA'S RANK

FIND OUT



SHARES

FEES

BILLS

TAXES

INTEREST RISK

INTEREST

PROFITS

DEPOSITMORTGAGE

PERANNUM

SUPERFUND

SHAREMARKET

LOAN GAIN

FINANCIAL

DEBUT

BARGAIN

SHAREHOLDERS

EARNINGS

CONSOLIDATE

SIMPLE INTEREST

CREDIT



COMPOUND INTERSEST



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