



ABSOLUTE FINANCE

PGDM (2019-2021)

21st November 2020

THE MARKETS ON FRIDAY

Sensex 43,882.3 ↑

Nifty 12,859.0 ↑

Gold (10 gm) ₹50,205.0 ↑

Dollar ₹74.2

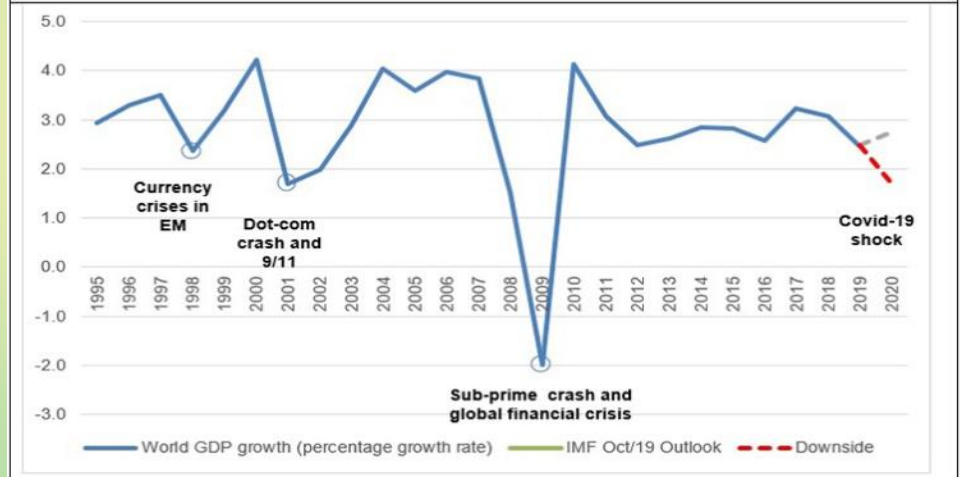
Euro ₹87.9

Top News

The Securities and Exchange Board of India (SEBI) brought in two new regulations recently that aim to enhance the investment experience in mutual funds. One brought in an additional layer of protection for investors in fixed-income products and another gave equity investors an additional category to invest in, as per their risk and return preference.

Many investors are looking at guaranteed return plans from life insurers as an alternative to bank fixed deposits (FD). Insurers offer tax-free guaranteed returns for the long term if investors stay until the policy matures.

Global GDP Growth, 1995-2020



Source: https://in.images.search.yahoo.com/yhs/search;_ylt=AwrX5ZZDxrhfJewApibnHgX.;_ylu=Y29sbwMEcG9zAzEEdnRpZAMEc2VjA3BpdnM-?p=financial+growth+2020&type=kkch_inma&hsimp=yhs-

Finance through the lens of Different Sectors:

Infrastructure

- ✓ L&T bags over Rs 7,000-cr order to construct part of Bullet Train Project.
- ✓ DHL Express to invest about Rs 6,600 crore in Asia Pacific region.
- ✓ Maharashtra government announces Rs 1,000 crore package for cash-strapped MSRTC (Maharashtra State Road Transport Corporation).
- ✓ TDI Infratech to invest ₹100 crores to build commercial project in Mohali

Telecommunication

- ✓ Bharti Airtel to acquire 5.2% stake in Avaada MHBuldhana for Rs 4.55 crore.
- ✓ Vodafone Idea has sold its 11.15% stake in Indus Towers for a cash consideration of Rs 3,760 crore in accordance with the terms of the agreement & out of the consideration received from Infratel.
- ✓ Oaktree to lead ₹15K crores funding in Voda Idea.

Banking and Finance

- ✓ RBI imposes Rs. 5 lakh penalty on Nissan Renault Financial Services India.
- ✓ Indiabulls Housing Fin appoints Dinabandhu Mohapatra former MD & CEO of BOI as independent director.

Bitcoin approaches \$19,000 as true believers look to record high.

In a consultation paper, SEBI proposed that companies with a post-issue capital of above ₹10,000 crores will be required to initially sell only 5% of the company to the public.

Four top stocks that may benefit from Covid vaccine:

Hospitality: Indian Hotels Co.

Cinemas: PVR Ltd.

Financials: ICICI Bank Ltd.

Mumbai Airlines: InterGlobe Aviation Ltd

In order to boost demand for residential real estate, finance minister Nirmala

Sitharaman on Thursday announced tax relief for home buyers and developers buying or selling below the circle rate by up to 20%.

Wallet interoperability eases loan, payments transactions.

Uber launches 500 e-rickshaws in Kolkata to make urban commutes more sustainable

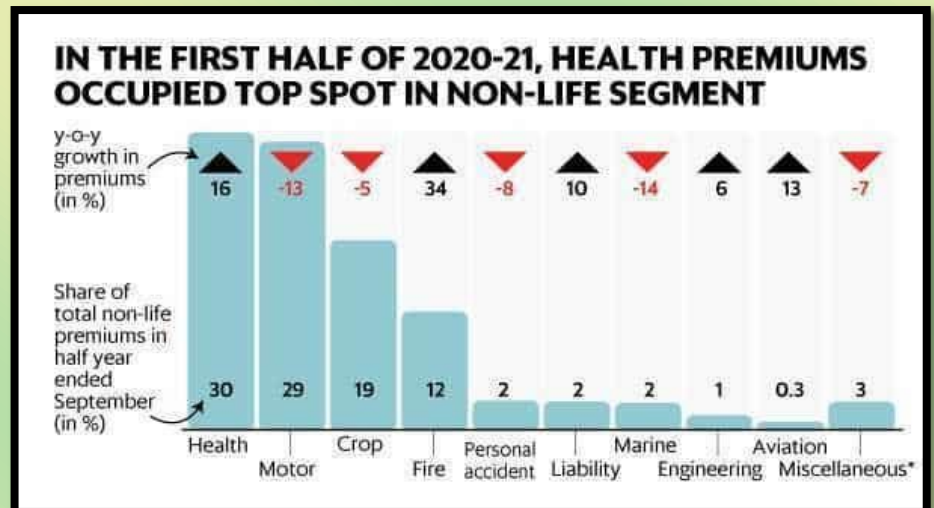
OYO to focus on five core markets amid coronavirus crisis, says group CEO Ritesh Agarwal

Edtech platform Udemy raises \$50 million in funding

- ✓ Punjab & Sind Bank to raise up to ₹5,500 crores via Preference Issue.
- ✓ Government approves swap of Mitsui Sumitomo Max Life stake with Max Financial Services.
- ✓ New RBI norms might force banks to reduce their holdings, change business models.

Healthcare/Biotech

- ✓ EU could pay over \$10 billion for Pfizer, CureVac vaccines.
- ✓ Microsoft partners Social Alpha to accelerate growth of healthtech start-ups in India.



Source: <https://economictimes.indiatimes.com/industry/healthcare/>

Technology

- ✓ Xiaomi clocks 8.3% growth during festive season, sells over 13 million devices in India.
- ✓ Realme sold 6.3 million new smartphones in India during Festive season

Quarterly Results

- ★ NALCO: declares Interim Dividend of Rs.0.50/share
- ★ NATIONAL ALUMINIUM: Q2 Results Consolidated Net Profit of 1.07B Rs
- ★ SUNTECK REALTY: Q2 Consolidated Net Profit of Rs139M
- ★ ONGC: Q2 EBITDA 69.89 B Rs vs 47.81 B (QoQ). Net Profit 43.35Rs vs 53.49.
- ★ INDIABULLS REAL ESTATE: Q2 Net Loss 761.4M Rs vs Profit of Rs 3.01 B (YoY)
- ★ NLC INDIA: Q2 Net Profit Rs 512.8M vs 2.66 B (YoY)
- ★ GICRE: GENERAL INSURANCE CORP. Net Profit Rs 2.3B vs loss Rs 5.95 B (YoY).
- ★ TATASTEEL: Q2 NP Rs 15.46 B vs 41.4 B (YoY)
- ★ EQUITAS: Q2 NP Rs 1.06B vs Rs 413 M (YoY)
- ★ FRETAIL: Q2 Net Loss Rs 6.86 B vs Profit Rs1.66 B (YoY)

MERGERS & AQUISITIONS



CCI approves acquisition of General Insurance Business of Bharti AXA by ICICI Lombard.

CCI clears Reliance-Future retail deal despite Amazon's objections.

Merger with Lakshmi Vilas Bank to strengthen DBS Bank's India biz: Moody's.

MUTUAL FUNDS NEWS

Kotak Mutual Fund launches Kotak ESG Opportunities Fund

SBI Mutual Fund cuts exposure to blue chip stocks, adds small and mid-caps

DSP Mutual Fund launches value fund

Navneet Munot to join HDFC Mutual Fund as CEO

Aditya Birla Sun Life Special Opportunities Fund collects Rs. 409 crore

Sundaram Mutual launches SIP in Sundaram Money Fund

INTERNATIONAL NEWS

- ❖ European funds look for new gateways into India post Chinese FDI curbs
- ❖ Carnival to sell \$1.6bn unsecured bonds as virus pressure eases.
- ❖ Norway's \$1.2tn oil fund to use more external managers.
- ❖ Jeff Bezos Hands \$684 Millions of Amazon Stock to Non-profits.
- ❖ Ant Group is still capable of securing the world's biggest IPO, says Chinese investor.
- ❖ In a concession to WarnerMedia, Amazon will remove HBO from Amazon Channels next year.
- ❖ India on November 15 opted out of the trade deal, which was signed by 15 Asia-Pacific nations, including China.



"For our next vacation, I'm taking the family to Wall Street. They've got the most terrifying roller coaster I've ever been on!"

Upcoming IPO's

- ❖ Sequoia Capital backed Indigo Paints files for IPO

IPO NAME	ISSUE TYPE	OFFER PRICE/RANGE	OPENING DATE	CLOSING DATE	ISSUE SIZE (RETAIL)
Net Pix Shorts Digital Media Ltd.	IPO	30.00	18-11-2020	23-11-2020	2.54 Cr

Source: <https://economictimes.indiatimes.com/markets/ipo>



The Indian economy is composed of the three major sectors like i.e., Services sector (54.53%), Industry sector (29.6%), and Agriculture sector (16.14%)

FDI equity inflows to India reached US\$ 49.97 billion during 2019-20 while the cumulative FDI equity inflows to the country from April 2000 to March 2020 reached US\$ 469.99 billion.

Share of Top Investing Countries FDI Equity Inflows: (April 2000 – June 2019) Mauritius (32%), Singapore (20%), UK (6%), Japan (7%), Netherlands (7%), USA (6%), Germany (3%)

The current series of the banknotes which is used in Indian Currency is known as the Mahatma Gandhi series. It was introduced in 1996.

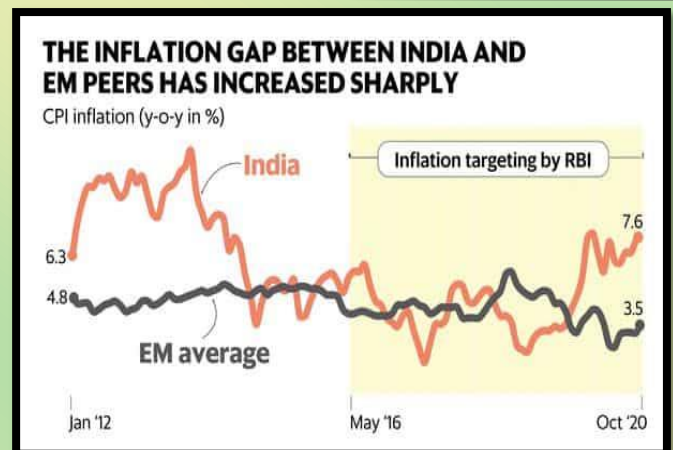


The size of major economies of the world: (In terms of Nominal GDP-IMF Estimates 2019)

U.S.A - \$21.43 trillion, China - \$14.14 trillion, Japan - \$5.15 trillion, Germany - \$3.86 trillion, India - \$ 2.93 trillion

India fell four rungs to the eighth position in the emerging market league tables in October, marking its worst performance since June. India's position is likely to improve once the September quarter GDP numbers are released and are factored in the rankings.

India's manufacturing Purchasing Managers' Index (PMI), however, remained a bright spot in an otherwise dismal real economy. At 58.9, India's manufacturing PMI was the highest since mid-2008 and also higher than those of most other emerging economies.



Source: <https://www.livemint.com/news/india/fall-in-exports-surge-in-inflation-puts-india-behind-em-peers-11605684204641.html>

Terminology

- **Balloon Loan:** A loan that is structured so that the small business owner makes regular repayments on a predetermined schedule and one much larger payment, or balloon payment, at the end.
- **Jonestown Defence/ Suicide Pill:** A defence mechanism against hostile takeovers. The target firm employs tactics that might threaten its own existence, so as to thwart an imposing acquirer's bid.
- **Debt Consolidation:** It is a process that lets you combine multiple loans into a single loan. The advantages are possibly reducing the interest rates on the borrowed funds as well as lowering the total amount you repay each month.
- **Microloan:** The loans made through non-profit, community-based organizations and they are most often for amounts under \$50,000.