



# Indbank Online

August 2021 | Issue - 146

## What's New!!!

### Economic & Business Updates

#### **RBI Keeps Policy Repo Rate Unchanged, To Continue With Accommodative Stance:**

The Reserve Bank of India's Governor Shri. Shaktikanta Das has announced that the Monetary Policy Committee which met on 4th, 5th and 6th August, 2021, has unanimously decided to keep the policy repo rate unchanged at 4%. The MPC has also decided to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis.

#### **RBI revises retail inflation projection for FY22 to 5.7%:**

The Reserve Bank of India has revised upwards retail inflation projection for FY 22 to 5.7 per cent from 5.1 per cent, even as it retained real GDP projection at 9.5 per cent. The revised quarterly retail inflation projections are: 5.9 per cent in Q2 (5.4 per cent earlier projection); 5.3 per cent in Q3 (4.7 per cent); and 5.8 per cent in Q4 (5.3 per cent) of 2021-22.

#### **Govt nullifies retro tax, introduces Bill to amend Income Tax Act:**

The Indian government has nullified retrospective tax as it proposed a Bill to amend the Income Tax Act. Finance Minister Smt. Nirmala Sitharaman introduced The Taxation Laws (Amendment) Bill in the Lok Sabha.

#### **Boost exports to \$400bn this year:**

Honorable PM Shri Narendra Modi while addressing exporters, businesses, states and Indian ambassadors in foreign missions at an event asked to work out a strategy to scale up India's exports to \$400 billion this year.

#### **SEBI reduces minimum lock-in period for promoters after IPO, agrees to 'controlling shareholders' concept:**

The Securities and Exchange Board of India (SEBI) eased the lock-in period for promoters' investments after stock market listing of the company from three years to 18 months subject to certain conditions. SEBI has also decided to streamline the disclosure requirement of group companies. It has also approved relaxation of lock-in requirement for promoters' shareholding in IPO/FPO if the object of the issue involves only offer for sale, fundraising other than for capital expenditure, for a project.

#### **Bank of England Says 'Modest Tightening' Needed as Inflation Set to Spike:**

The Bank of England decided to keep its monetary policy unchanged, but warned that some "modest tightening" was likely to be needed as it expected inflation to spike higher than expected.

**Our Centralised Dealing Room Contact Nos: 044 - 42021368, 24313087, 24321232.**

## President Desk



### **Warm greetings to all readers!!!**

Tokyo Olympics 2020 was a fruitful one for us. Delighted to see the perseverance and dedication shown by our participants in the event. Going by medals tally this Olympics can be rated as the best one for India. As a Nation it was a proud moment for all of us as India bagged its first ever Gold in athletics won by Shri. Neeraj Chopra in Javelin throw. I also take this opportunity to congratulate all the medal winners and other participants who represented our country at Tokyo Olympics 2020. I am sure those who could not make it to podium this time will definitely emerge much stronger and successful in the future editions.

Excited in addressing you all through this issue of our in-house newsletter at a time when Indian capital markets are witnessing heightened exuberance with Nifty and Sensex trading at a record high levels. Both the indices have breached levels of 16000 and 54000 respectively for the first time ever. Indices have seen a relentless run over the past sixteen months, post the low registered last year.

FII's side of market are witnessing selling pressure. The month gone by saw FIIs exit Indian equities to the tune of more than 23000 crs. Eventhough FIIs are maintaining their profit booking stance, it is the domestic institutions and retail that have taken the baton from FIIs over the past few weeks. It is indeed exciting to see increasing levels of domestic retail participation and confidence shown in our equity markets. I am sure the participation both in active and passive form by retail will grow multifold in the years to come.

We are seeing a buoyant primary market activity on back of various companies and unique business models tapping capital market for their fund requirements. Also such companies are taking the advantage of a highly vibrant secondary market. Businesses with

growth potential are witnessing higher demand and some of the recent issues such as Tatva Chintan, Rolex rings, Zomato etc saw subscription of more than 100 times.

Recent policy announcements by RBI and various other global central banks, for time being hints at supporting growth with an accommodative stance. But rising inflation and future upward projections, pose a threat of possible rate hikes in future which cannot be ignored if this inflation trajectory persists. Investor must heed to such macro triggers which can significantly have impact on easy money flow into equities.

**Happy and Safe Investing!!!**

**Stay Safe!!!**

### Company's Stock Performance

| Stock Name   | CMP<br>As on 06.08.21 | 52 Week<br>Low | 52 Week<br>High | At CMP %<br>change from<br>52 Week low |
|--|-----------------------|----------------|-----------------|--|
| <b>Indbank Merchant<br/>Banking Services<br/>Ltd (INDBANK)</b> | 29.80                 | 6.60           | 37.40           | 351%                                   |

### Snap Shots

|  |                              |                               |                               |                                 |
|--|------------------------------|-------------------------------|-------------------------------|---------------------------------|
| <i>Inflation (WPI) (%)</i>                       | 12.07%<br><i>(June 2021)</i> | 12.94%<br><i>(May 2021)</i>   | 10.49%<br><i>(April 2021)</i> | 7.39%<br><i>(March 2021)</i>    |
| <i>Inflation (CPI) (%)</i>                       | 6.26%<br><i>(June 2021)</i>  | 6.30%<br><i>(May 2021)</i>    | 4.29%<br><i>(April 2021)</i>  | 5.52%<br><i>(March 2021)</i>    |
| <i>India Industrial<br/>Production (IIP) (%)</i> | 29.3%<br><i>(May 2021)</i>   | 134.4%<br><i>(April 2021)</i> | 22.4%<br><i>(March 2021)</i>  | -3.4%<br><i>(February 2021)</i> |
| <b>Particulars</b>                               | <b>09.07.21</b>              | <b>16.07.21</b>               | <b>23.07.21</b>               | <b>30.07.21</b>                 |
| <i>91-Day Cut-off (%)</i>                        | 3.44                         | 3.43                          | 3.42                          | 3.39                            |
| <i>10-yr G-Sec yield (%)</i>                     | 6.10                         | 6.14                          | 6.18                          | 6.22                            |
| <i>USD/INR(Rs)</i>                               | 74.64                        | 74.62                         | 74.43                         | 74.39                           |
| <i>EUR/INR (Rs)</i>                              | 88.29                        | 88.11                         | 87.61                         | 88.39                           |

## Global Indices

| <b>Indices</b>     | <b>Country</b> | <b>Index as on<br/>30.07.2021</b> | <b>Index as on<br/>30.06.2021</b> | <b>Variation<br/>(%) (Inc/<br/>Dec)</b> |
|--------------------|----------------|-----------------------------------|-----------------------------------|---|
| SENSEX             | India          | 52,586.84                         | 52,482.71                         | 0.20                                    |
| NIFTY 50           | India          | 15763.05                          | 15721.50                          | 0.26                                    |
| S&P 500            | United States  | 4,395.26                          | 4,297.50                          | 2.22                                    |
| DJIA               | United States  | 34,935.47                         | 34,502.51                         | 1.24                                    |
| NASDAQ             | United States  | 14,672.68                         | 14,503.95                         | 1.15                                    |
| FTSE 100           | United Kingdom | 7034.40                           | 7052.62                           | -0.26                                   |
| CAC 40             | France         | 6,612.76                          | 6,507.83                          | 1.59                                    |
| DAX                | Germany        | 15,544.39                         | 15,531.04                         | 0.09                                    |
| Nikkei 225         | Japan          | 27,283.59                         | 28,791.53                         | -5.53                                   |
| Straits Times      | Singapore      | 3180.16                           | 3134.22                           | 1.44                                    |
| Hang Seng          | Hong Kong      | 25,961.03                         | 28,827.95                         | -11.04                                  |
| Shanghai Composite | China          | 3,397.36                          | 3,591.20                          | -5.71                                   |

## Institutional Investments

| <b>Category</b>  | <b>Debt/Equity</b>       | <b>Gross Purchases<br/>(Rs Crores)</b> | <b>Gross Sales<br/>(Rs Crores)</b> | <b>Net Investment<br/>(Rs Crores)</b> |
|--|--------------------------|--|------------------------------------|---------------------------------------|
| <i>FII Investments<br/>July 2021</i>                           | <i>Equity</i>            | 135,991.37                             | 148,737.59                         | -12,746.22                            |
|  | <i>Debt</i>              | 8,780.70                               | 9,423.55                           | -642.85                               |
| <i>Mutual Fund<br/>July 2021</i>                               | <i>Equity</i>            | 84,691.53                              | 69,260.53                          | 15,431.00                             |
|  | <i>Debt</i>              | 132,801.44                             | 119,443.09                         | 13,358.35                             |
| <i>FII Derivative Trades<br/>(Rs. in Crores)<br/>July 2021</i> | <b>INDEX<br/>FUTURES</b> | <b>INDEX<br/>OPTIONS</b>               | <b>STOCK<br/>FUTURES</b>           | <b>STOCK<br/>OPTIONS</b>              |
| <i>-Buy</i>  | 85,212.52                | 9,590,566.06                           | 378079.32                          | 345546.18                             |
| <i>-Sell</i>   | 89,582.00                | 9,590,674.25                           | 369475.12                          | 346660.91                             |

## New Fund Offers

| <b>Fund Name</b>                     | <b>Open Date</b> | <b>Close Date</b> | <b>Min. Investment (Rs.)</b> | <b>Type</b> |
|--------------------------------------|------------------|-------------------|------------------------------|-------------|
| SBI Balanced Advantage Fund          | 12-Aug-21        | 25-Aug-21         | 5000                         | Open Ended  |
| UTI Focused Equity Fund              | 04-Aug-2021      | 18-Aug-2021       | 5000                         | Open Ended  |
| HDFC NIFTY50 Equal Weight Index Fund | 04-Aug-2021      | 13-Aug-2021       | 5000                         | Open Ended  |
| Mahindra Manulife Flexi Cap Yojana   | 30-Jul-2021      | 13-Aug-2021       | 1000                         | Open Ended  |

## Forthcoming Corporate Action

| <b>Symbol</b> | <b>Company Name</b>                                  | <b>Purpose</b>                  | <b>Ex-date</b> | <b>Record date</b> |
|---------------|--|---------------------------------|----------------|--------------------|
| CASTROLIND    | CASTROL INDIA LTD.                                   | Interim Dividend - Rs. - 2.5000 | 11-Aug-21      | 12-Aug-21          |
| CUB           | CITY UNION BANK LTD.                                 | Final Dividend - Rs. - 0.2000   | 11-Aug-21      | 12-Aug-21          |
| KOTAKBANK     | KOTAK MAHINDRA BANK LTD.                             | Dividend - Rs. - 0.9000         | 11-Aug-21      | 12-Aug-21          |
| BALKRISIND    | BALKRISHNA INDUSTRIES LTD.                           | Interim Dividend - Rs. - 4.0000 | 12-Aug-21      | 14-Aug-21          |
| GOLDIAM       | GOLDIAM INTERNATIONAL LTD.                           | Final Dividend - Rs. - 3.0000   | 12-Aug-21      | -                  |
| ENDURANCE     | Endurance Technologies Ltd                           | Final Dividend - Rs. - 6.0000   | 12-Aug-21      | -                  |
| RPGLIFE       | RPG LIFE SCIENCES LTD.                               | Dividend - Rs. - 7.2000         | 13-Aug-21      | 17-Aug-21          |
| DEEPAKFERT    | DEEPAK FERTILISERS & PETROCHEMICALS CORPORATION LTD. | Dividend - Rs. - 7.5000         | 17-Aug-21      | -                  |
| DIVISLAB      | DIVI'S LABORATORIES LTD.                             | Final Dividend - Rs. - 20.0000  | 17-Aug-21      | -                  |
| INDUSINDBK    | INDUSIND BANK LTD.                                   | Final Dividend - Rs. - 5.0000   | 17-Aug-21      | -                  |
| KPITTECH      | KPIT Technologies Ltd                                | Final Dividend - Rs. - 1.5000   | 17-Aug-21      | 18-Aug-21          |
| SCI           | SHIPPING CORPORATION OF INDIA LTD.                   | Dividend - Rs. - 0.2500         | 17-Aug-21      | -                  |
| CANFINHOME    | CAN FIN HOMES LTD.                                   | Final Dividend - Rs. - 2.0000   | 18-Aug-21      | 20-Aug-21          |

|            |   |                                 |           |           |
|------------|---|---------------------------------|-----------|-----------|
| GNFC       | GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD. | Dividend - Rs. - 8.0000         | 18-Aug-21 | -         |
| HIMATSEIDE | HIMATSINGKA SEIDE LTD.                              | Final Dividend - Rs. - 0.5000   | 18-Aug-21 | -         |
| IEX        | Indian Energy Exchange Ltd                          | Final Dividend - Rs. - 1.5000   | 18-Aug-21 | 20-Aug-21 |
| IRCON      | IRCON International Ltd                             | Interim Dividend                | 18-Aug-21 | 21-Aug-21 |
| JKTYRE     | JK TYRE & INDUSTRIES LTD.                           | Dividend - Rs. - 2.0000         | 18-Aug-21 | -         |
| KTKBANK    | KARNATAKA BANK LTD.                                 | Dividend - Rs. - 1.8000         | 18-Aug-21 | 20-Aug-21 |
| LALPATHLAB | Dr. Lal PathLabs Ltd                                | Interim Dividend - Rs. - 6.0000 | 18-Aug-21 | 22-Aug-21 |
| BITES      | BITES Ltd   | Interim Dividend                | 18-Aug-21 | 21-Aug-21 |
| SARDAEN    | SARDA ENERGY & MINERALS LTD.                        | Final Dividend - Rs. - 7.5000   | 18-Aug-21 | -         |
| SUNPHARMA  | SUN PHARMACEUTICAL INDUSTRIES LTD.                  | Final Dividend - Rs. - 2.0000   | 23-Aug-21 | -         |
| CAMS       | Computer Age Management Services Ltd                | Interim Dividend                | 27-Aug-21 | 30-Aug-21 |
| ASHOKLEY   | ASHOK LEYLAND LTD.                                  | Final Dividend - Rs. - 0.6000   | 31-Aug-21 | -         |
| GALAXYSURF | Galaxy Surfactants Ltd                              | Final Dividend - Rs. - 4.0000   | 31-Aug-21 | 01-Sep-21 |

## Stock picks

| Company Name / Symbol | Current Market Price (CMP) (RS) | Buy / Sell | Recommended Buy / Sell price range | Stop loss | Target | Short / Medium / Long term |
|-----------------------|---------------------------------|------------|------------------------------------|-----------|--------|----------------------------|
| Drreddy               | 4786                            | Buy        | 4786                               | 4660      | 5100   | Short term                 |
| Alembic Pharma        | 783                             | Buy        | 780                                | 735       | 865    | Short term                 |
| Lic Housing Finance   | 405                             | Buy        | 405                                | 375       | 450    | Short term                 |

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 06.08.21.

## Crude and Rupee check

Brent crude opened at \$ 74.69 in the month of June 2021. Crude witnessed buying interest and price volatility on back of economic recovery in many parts of the world. Crude for the month closed at \$ 76.33. Rupee closed at Rs 74.33 on 30<sup>th</sup> July, 2021.

### Brent crude price movement:



### USD-INR price movement:



## **Mutual Fund Corner**

Scheme for the Month : **ICICI Prudential Asset Allocator Fund**

Level of Risk : Moderately High

### **Objective**

The Scheme seeks to generate capital appreciation primarily from a portfolio of equity, debt, and gold schemes accessed through the diversified investment styles of underlying schemes.

### **Trailing Returns**

| Trailing Returns (%) | Fund   | VR Balanced TRI | Hybrid: Balanced Hybrid |
|----------------------|--------|-----------------|-------------------------|
| YTD                  | 13.4   | 15.11           | 14.16                   |
| 1-M                  | 1.94   | 2.74            | 2.06                    |
| 3-M                  | 6.28   | 10.48           | 7.13                    |
| 1-Y                  | 28.79  | 40.45           | 28.56                   |
| 3-Y                  | 13.25  | 13.04           | 10.19                   |
| 5-Y                  | 12.54  | 13.45           | 8.85                    |
| Return Since Launch  | 12.15% |                 |                         |

### **Fund Details**

|                         |                                  |
|-------------------------|----------------------------------|
| NAV as on 06.08.2021    | Rs 76.67                         |
| Fund House              | ICICI Prudential Mutual Fund     |
| Launch Date             | 18-Dec-2003                      |
| Benchmark               | CRISIL Hybrid 50+50 Moderate TRI |
| Type                    | Open-ended                       |
| Assets Under Management | ₹ 11,979 Cr (As on 30-06-2021)   |
| Expense                 | 1.53 % (As on 30-06-2021)        |



## Knowledge corner!!!

### Asset Allocation and its Advantages

**Asset allocation:** is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon. The three main asset classes - equities, fixed-income, and cash and equivalents - have different levels of risk and return, so each will behave differently over time.

**Why Asset Allocation Is Important:** there is no simple formula that can find the right asset allocation for every individual. However, the consensus among most financial professionals is that asset allocation is one of the most important decisions that investors make. In other words, the selection of individual securities is secondary to the way that assets are allocated in stocks, bonds, and cash and equivalents, which will be the principal determinants of your investment results.

**Advantages of Asset Allocation / diversification:** The practice of spreading money among different investments to reduce risk is known as diversification. By picking the right group of investments, you may be able to limit your losses and reduce the fluctuations of investment returns without sacrificing too much potential gain. In addition, asset allocation is important because it has a major impact on whether you will meet your financial goal. If you don't include enough risk in your portfolio, your investments may not earn a large enough return to meet your goal. On the other hand, if you include too much risk in your portfolio, the money for your goal may not be there when you need it. A portfolio heavily weighted in stock or stock mutual funds, for instance, would be inappropriate for a short-term goal.

Web link for Standard & General Disclaimer:

<https://corporate.indbankonline.com/Standard%20and%20General%20Disclaimer.pdf>

For live and real time updates on stock market

Visit our website: [www.indbankonline.com](http://www.indbankonline.com)



Indbank Merchant Banking Services Ltd.  
I Floor, Khiviraj Complex I,  
No.480, Anna Salai, Nandanam, Chennai 600035.  
Telephone No: 044 – 24313094 – 97.  
Fax No: 044 – 24313093  
[www.indbankonline.com](http://www.indbankonline.com)

#### Editorial Team

**Mr. A. Rajaraman**  
President & Whole-time Director

**Mr. U. Rajkumar**  
Vice President & CFO

**Mr. R. Sreeram**  
Research Analyst