



Indbank Online

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What's New!!!

Economic & Business Updates

Indian economy to see positive growth in fourth quarter of current fiscal: Niti Aayog VC Rajiv Kumar said in an interview to PTI that The Indian economy is coming out of the pandemic-induced degrowth and GDP growth will enter the positive territory in the fourth quarter of this fiscal.

GST collections cross Rs 1 lakh cr mark for second straight month in November: The government collected GST revenue of more than Rs 1 lakh crore for the second consecutive month in November 2020. GST collections stood at 1.05 lakh crore in the month.

Employment up for first time in 9 months, services PMI shows business activity rises for 2nd straight month: The seasonally adjusted India Services Business Activity Index posted above the critical 50 mark that separates growth from contraction for the second month in a row during November. Despite falling from 54.1 in October to 53.7 in November, the latest reading was still indicative of a solid pace of expansion amid better demand conditions and a relaxation of COVID-19 restrictions.

India's GDP could rebound to 7.9% in 2021, says OECD: The Organisation for Economic Co-operation and Development (OECD), a club of mostly rich nations, predicted that the world economy will return to pre-pandemic growth levels by the end of next year, but slashed its 2021 forecast and warned that the recovery will be uneven across countries and downside risks persist. It stated that India's GDP could rebound to 7.9% in 2021.

U.S. second biggest FDI source for India during April-September 2020: The U.S. has emerged as the second biggest source of foreign direct investment (FDI) into India, replacing Mauritius, during the first half of the current financial year, according to data of the Commerce and Industry Ministry. During April-September 2020, India attracted FDI worth \$7.12 billion from the U.S. and \$2 billion from Mauritius, which slipped to fourth position.

Amalgamation ensures stability, says DBS Bank India: The amalgamation of the erstwhile Lakshmi Vilas Bank (LVB) with DBS Bank India Ltd. (DBIL) has ensured stability and better prospects for the former's depositors, customers and employees following a period of uncertainty.

Flipkart to spin off PhonePe, digital payments business valued at \$5.5 billion: Walmart Inc-controlled Indian e-commerce firm Flipkart is partially spinning off PhonePe in a move aimed at widening the digital payments platform's access to capital to fuel its growth. PhonePe will raise \$700 million in primary capital.

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President Desk



Warm greetings to all readers!!!

It gives me great pleasure in addressing our esteemed clients and readers through this in-house newsletter. It is indeed a momentous occasion of joy for all the market participants as the indices are scaling to newer peaks. This on back of our economy witnessing an unprecedented gush of foreign liquidity inflows.

India proving to be a brighter spot amongst all other emerging economies worldwide. Considerable amount of scepticism still prevails amongst seasoned market watchers and participants on streets with regards to this on-going bull run that we are seeing in our markets. But on the other hand it seems like Fii's are ignoring these noises. We saw record high FII inflow in November at over Rs 65,000 crore. Key reason attributable for the same may be, an increase in India's weightage by MSCI in their global Emerging Markets Index to 8.7 per cent from 8.1 per cent, future economic growth potential, US Fed extending its QE and having an accommodative stance, depreciating US dollar are some of the attributable that are proving to be blessing in disguise for emerging markets like ours.

India has seen much higher consistency in FPI flows on a comparison with other emerging markets. This should continue to be the case going forward because businesses in other emerging markets (barring China) cannot hope to attain scale that businesses in India would attain. The ability of the country to absorb large flows is also there as are investible assets. These factors make India a very compelling story for any long-term investor (FDI or FII), a story with a potential that none other can match. The march of globalisation has slowed down on account of COVID-19, maybe even reversed. The border situation has helped increase awareness about augmenting domestic manufacturing capabilities and being 'self-reliant'.

The government policies are becoming very favourable for Make in India and production-linked Incentives are being extended for multiple sectors. The Indian market is gradually being made more available for Indian enterprises whatever may be the ownership of the asset. It seems like world is recognising this fact and investing accordingly. Going forward hoping for the same trend gets percolated amongst domestic investors those who are yet to significantly participate in the long-term economic growth story.

Wishing in advance to all our customers a Merry Christmas & Prosperous New Year 2021!!!

Happy and Safe Investing!!!

Snap Shots

<i>Inflation (WPI) (%)</i>	1.48% (October, 2020)	1.32% (September 2020)	0.16% (August 2020)	-0.58% (July 2020)
<i>Inflation (CPI) (%)</i>	7.61% (October, 2020)	7.34% (September 2020)	6.69% (August 2020)	6.73% (July 2020)
<i>India Industrial Production (IIP) (%)</i>	0.2% (September 2020)	-8.0% (August 2020)	-10.4 (July 2020)	-16.6% (June 2020)
<i>Particulars</i>	06-Nov-2020	13-Nov-2020	20-Nov-2020	27-Nov-2020
<i>91-Day Cut-off (%)</i>	3.17	3.14	2.98	2.93
<i>10-yr G-Sec yield (%)</i>	5.90	5.91	5.92	5.84
<i>USD/INR(Rs)</i>	74.05	74.67	74.16	73.80
<i>EUR/INR (Rs)</i>	87.52	88.15	88.15	88.02

Global Indices

Indices	Country	Index as on 30.11.2020	Index as on 30.10.2020	Variation (%) (Inc/ Dec)
<i>SENSEX</i>	<i>India</i>	44,149.72	39,614.07	11.45
<i>NIFTY 50</i>	<i>India</i>	12968.95	11642.40	11.39
<i>NASDAQ</i>	<i>United States</i>	12,198.74	10,911.59	11.80
<i>DJIA</i>	<i>United States</i>	29,638.64	26,501.60	11.84
<i>S&P 500</i>	<i>United States</i>	3,621.63	3,269.96	10.75
<i>Hang Seng</i>	<i>Hong Kong</i>	26,341.49	24,107.42	9.27
<i>Nikkei 225</i>	<i>Japan</i>	26,433.62	22,977.13	15.04
<i>Shanghai Composite</i>	<i>China</i>	3,391.76	3,224.53	5.19
<i>Straits Times</i>	<i>Singapore</i>	2798.13	2423.84	15.44
<i>FTSE 100</i>	<i>United Kingdom</i>	6298.44	5577.75	12.92
<i>CAC 40</i>	<i>France</i>	5,518.55	4,594.24	20.12
<i>DAX</i>	<i>Germany</i>	13,291.16	11,556.48	15.01

Sector-wise performance (November 2020)

Sector	Market-Cap (Rs in Crores)	Change	No. of stocks Advanced	No. of stocks Declined
Agri	1,38,819	17.54%	15	45
Alcohol	79,703	-7.25%	3	6
Automobile & Ancillaries	10,95,984	-21.03%	8	105
Aviation	68,020	22.47%	1	2
Banks	23,18,256	-29.64%	6	24
Capital Goods	3,13,908	-22.72%	11	73
Chemicals	7,69,193	41.96%	33	70
Construction Materials	4,50,396	6.18%	9	46
Consumer Durables	1,65,455	24.27%	8	19
Containers & Packaging	9,513	1.62%	3	9
Diamond & Jewellery	1,51,489	20.50%	5	8
Diversified	1,99,603	-16.83%	5	15
Electricals	19,384	-48.79%	2	20
ETF	18,744	-17.74%	39	8
Finance	13,46,860	6.52%	28	80
FMCG	14,85,686	24.68%	18	21
Footwear	39,290	95.81%	2	3
Healthcare	11,18,849	44.49%	52	45
Hospitality	34,049	-45.18%	0	22
Industrial Gases & Fuels	1,22,058	-1.94%	4	2
Infrastructure	3,11,086	-23.61%	5	57
Insurance	3,94,250	7.91%	4	2
Logistics	75,758	-32.00%	5	26
Manufacturing	16,100	-8.28%	3	2
Media & Entertainment	66,909	-55.97%	3	32
Metals & Mining	6,48,265	-30.89%	10	88
Miscellaneous	1,16,644	-3.80%	7	37
Oil & Gas	16,30,902	22.53%	2	12
Paper	7,607	-57.54%	0	21
Photographic Products	19	-74.51%	0	1
Plastic Products	69,989	7.83%	6	21
Power	3,92,402	-16.56%	6	24
Real Estate	1,73,320	-26.51%	4	50

Retailing	2,13,299	36.50%	3	10
Ship Building	4,801	-32.12%	0	1
Software & IT Services	22,84,913	66.71%	36	55
Telecom	4,07,072	-24.36%	7	15
Textiles	1,08,518	-27.67%	11	85
Trading	71,149	32.63%	2	15

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments November 2020	Equity	265,198.02	194,353.39	70,844.63
	Debt	14,098.46	16,015.09	-1,916.63
Mutual Fund November 2020	Equity	47,188.73	75,508.87	-28,320.14
	Debt	105,579.33	85,618.88	19,960.45
FII Derivative Trades (Rs. in Crores) November 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	97,036.78	6,284,031.67	382425.31	133275.20
-Sell	90,220.88	6,269,535.59	386960.35	133138.27

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
ICICI Prudential QUANT FUND	23-Nov-20	07-Dec-20	1,000	Open Ended
Baroda Banking and PSU Bond Fund	27-Nov-20	10-Dec-20	5000	Open Ended
HDFC Dividend Yield Fund	27-Nov-20	11-Dec-20	5000	Open Ended
Union Hybrid Equity Fund	27-Nov-20	11-Dec-20	5000	Open Ended
UTI Small Cap Fund	02-Dec-20	16-Dec-20	5000	Open Ended
Aditya Birla Sun Life ESG Fund	04-Dec-20	18-Dec-20	500	Open Ended
Axis Special Situations Fund	04-Dec-20	18-Dec-20	5,000	Open Ended
Invesco India - Invesco Global Consumer Trends Fund of Fund	04-Dec-20	18-Dec-20	1,000	Open Ended
ITI Large Cap Fund	04-Dec-20	18-Dec-20	5000	Open Ended

Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
KSE	KSE LTD	Final Dividend - Rs. - 20.0000	07-Dec-20	-
RVNL	Rail Vikas Nigam Ltd	Dividend - Rs. - 1.1400	08-Dec-20	-
HATSUN	HATSUN AGRO PRODUCT LTD.	Bonus issue 1:3	09-Dec-20	10-Dec-20
GARFIBRES	Garware Technical Fibres Ltd	Buy Back of Shares	10-Dec-20	11-Dec-20
WIPRO	WIPRO LTD.	Buy Back of Shares	10-Dec-20	11-Dec-20
RCF	RASHTRIYA CHEMICALS & FERTILIZERS LTD.	Final Dividend - Rs. - 2.8400	22-Dec-20	23-Dec-20

Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
SBI Life Insurance	863	Buy	850-860	800	950-970	Medium term
Bharti Airtel	493	Buy	490-493	450	550	Short term
Infosys	1134	Buy	1130-1134	1098	1220-1250	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 04.12.20.

Crude and Rupee check

Crude opened at \$ 37.37 in the month of November. Crude witnessed buying interest and price volatility on back of many economies slowly opening up and resurgence of virus in many countries worldwide. Crude for the month closed at \$ 47.59. Rupee closed at Rs 73.99 on 30th November, 2020.

Brent crude price movement:



USD-INR price movement:



ETF Corner

Scheme for the Month : Nippon India ETF PSU Bank Bees

Level of Risk : High

Objective

The scheme aims to provide returns that, before expenses, closely correspond to the total returns of the securities as represented by the Nifty PSU Bank Index. It will invest at least 90% of its total assets in the stocks of its corresponding underlying index.

Trailing Returns

Trailing Returns (%)	Fund (%)	S&P BSE Bankex TRI
YTD	0.27	1
1-M	-33.02	-6.29
3-M	27.67	16.26
1-Y	15.94	31.48
3-Y	-35.52	-5.65
5-Y	-23.81	6.86

ETF Details

NAV as on 04.12.2020	Rs 18.59
Fund House	Nippon India Mutual Fund
Launch Date	25-Oct-2007
Return Since Launch	-2.92%
Benchmark	S&P BSE Bankex TRI
Type	Open-ended
Assets Under Management	₹ 31 Cr (As on 31-Oct-2020)
Expense	0.49% (As on 31-Oct-2020)
Underlying asset	Equity

Knowledge corner!!!

Need for debt exposure in one's portfolio allocation:

Asset rebalancing is one of the most useful, though often ignored practices in the world of investing. It requires you to abandon a simplistic approach to equity and fixed investment options. Instead of seeing it as a black and white binary choice, you need to appreciate the range of possibilities both equity and debt open up for you when taken together.

Here are reasons why debt funds have a key role to play;

- **Lesser erosion in total portfolio value:** The real benefit of rebalancing one's portfolio with portion of debt is seen only when the equity markets starts falling and the value of your equity portfolio starts declining. Even though the equity portion of this portfolio would fall when the market falls, the portion that have already been moved into debt funds will not fall.
- **A good source of liquidity closer to one's financial milestone:** This is a very interesting point. Let us say you have a target of reaching a corpus in 5 years to pay margin for your home loan. It is hard to make money on equities in a short period of time and hence you may look to have a greater proportion allocated to debt funds for this specific need. As you approach the milestone, you can keep increasing the exposure to debt funds so that by the time of the milestone your risk of loss on liquidation is almost minimal. Debt funds play a key role in balancing risk and returns as you approach your milestones.
- **Gives stability to your portfolio:** Your portfolio surely needs growth and wealth creation but that alone is not enough. Your portfolio also requires an element of stability that only comes from debt. When you are in debt funds your longer period returns may be lower than equities but it gives you the much needed stability and predictability to your portfolio. The component of your debt portfolio may still be small but your immediate milestones are safe due to debt exposure rather than to the more risky equity exposure.
- **Reduces the overall risk of your portfolio:** Your risk appetite does vary and normally with advancing age and shrinking income your risk appetite reduces. The challenge is to use debt funds to consistently keep reducing and tweaking the average risk of your portfolio. In the pecking order of assets, equities have the highest risk and debt funds carry much lower risk as they invest in assured return debt products and are less volatile. This lower volatility of debt funds makes them ideal candidates to reduce the overall risk of your portfolio.

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