



## What's New!!!

### Economic & Business Updates

- **India's GDP growth falls to 4.5%:** The Gross Domestic Product fell to 4.5 per cent in the second quarter of the year 2019-20. This is a fall of 0.5 per cent points compared to the last quarter. Compared to the second quarter of the year 2018-19, it is a fall of 2.6 per cent. In the second quarter of the previous year, the GDP growth stood at 7.1 per cent.
- **India's fiscal deficit touches Rs 7 trillion, surpasses annual target in seven months:** The government of India's fiscal deficit has surpassed the annual target within the first seven months of the current financial year. India's fiscal deficit in the first seven months through October stood at Rs 7.2 trillion (\$100.32 billion), or 102.4 per cent of the budgeted target for the current fiscal year.
- **Stake sale in BPCL, SCI, CONCOR to strengthen firms, boost growth says FICCI:** Industry body FICCI hailed the centre's go-ahead to the sale of its stake BPCL, SCI and CONCOR stating that the move would strengthen the performance of these companies and bring in fresh investments for both modernisation and expansion.
- **RBI files insolvency application against DHFL with NCLT:** The Reserve Bank of India (RBI) on November 29 filed an application to begin insolvency proceedings against DHFL with the Mumbai bench of the National Company Law Tribunal. According to a release by the central bank, an interim moratorium shall commence from the date of filing of the application till its admission or rejection.
- **Government mulls cap on surge pricing, penalty against drivers of cab aggregators:** The Centre is likely to cap surge pricing charged by taxi aggregators such as Ola and Uber. This and other such regulations will be part of a framework being rolled out for cab aggregators by the government. The road transport and highways ministry, along with a bunch of states such as Karnataka, Gujarat, Maharashtra, among others, is working on a comprehensive framework to make cab rides safe and hassle-free.
- **NSE orders forensic audit into Karvy following SEBI ban:** The National Stock Exchange (NSE) has appointed EY to conduct a forensic audit into Karvy Stock Broking, following the ex-parte order issued by SEBI. The markets regulator banned Karvy from taking new clients and restricted the broker from executing any further trades on behalf of clients.
- **SBI Cards files IPO papers with SEBI:** SBI Cards, the credit card arm of State Bank of India filed Draft Red Herring Prospectus (DRHP) for its initial public offer (IPO) with SEBI. The company will offer up to 130,526,798 equity shares via offer for sale route.
- **Yes Bank board decides to raise up to \$2 bn via preferential allotment:** Yes bank post its board meeting held on Friday 29th November 2019 said eight global and domestic investors have shown interest in pumping in \$2 billion to the bank. The lender's board has taken the decision to raise up to \$2 billion through preferential allotment at a price in accordance with Chapter V of the SEBI Regulations, 2018.
- **Subhash Chandra resigns as chairman of Zee Entertainment:** Subhash Chandra quits as chairman of Zee Entertainment Enterprises which he founded in 1992. He will continue as a non-executive board member, said company's press release.
- **JSW Cement to invest Rs. 2,875 cr to add 11 mtpa capacity:** JSW Cement plans to invest Rs. 2,875 crore to enhance capacity to 25 million tonnes per annum from 14 mtpa by 2023. Parth Jindal, Managing Director, JSW Cement, said the company will be among the top five cement companies in the next four years when the expansion projects are completed.
- **ADB approves \$250 mn loan to EESL to expand energy efficiency investments:** The Asian Development Bank (ADB) has approved a loan of USD 250 million (about Rs 1,775 crore) as part of an assistance package to EESL to expand energy efficiency investments in India.

## FROM THE PRESIDENT'S DESK

### *Warm Greetings to all Readers!!!*

Markets are at a fresh all time high on back of incremental foreign inflows. It gives a sense that narrowness of up move hitherto is now slowly getting better and broadened. Quality midcap and small cap stocks also have participated in the recent up move which gives a sigh of relief for investors in this space. Market has derived significant strength from PSU basket especially PSU banks. Entire PSU space off late is buoyant on back of varied news flow and this space as a whole is coming out of prolonged underperformance. Many quality companies in this space are due for re-rating.

Recent centre's move to divest stake in major PSUs is a welcome step. This would strengthen the performance of these companies and bring in fresh investments for both modernisation and expansion. The disinvestment programme over the last fifteen years has largely centred around tinkering with minority stakes in PSUs into the market without the Government really ceding control, inconsequential stake sales through the ETF route or left pocket to right pocket transfers between PSUs that serve little purpose outside of numerically meeting disinvestment targets. Many major listed PSUs are basking on back of present divestment initiative by government taking a clue out of Hindustan Zinc's divestment instance which augurs well as a precedent.

By upholding the collective decision of the Committee of Creditors as paramount, the apex court has addressed a key reason for long-drawn litigations under the Insolvency and Bankruptcy Code. By ruling in the Essar Steel case that the Committee of Creditors has the discretion to decide on the distribution of proceeds, the Supreme Court has brought huge relief to the banks. Importantly, the SC has set aside the NCLAT order in this case that had prescribed a sharing arrangement treating all classes of creditors such as secured, unsecured financial creditors and operational creditors identically. The NCLAT order had worked out a blanket 60 per cent share of claims for all creditors, threatening the basic tenets of commercial law that accords priority to secured creditors. The SC ruling has also importantly put to rest



**Mr. Sesha Sai P L V K**

ambiguity over several aspects of the IBC, setting a key precedent for future cases. This ruling comes in as a big sigh of relief for large lenders especially for state owned ones.

SEBI barred stock broking firm Karvy over alleged misuse of client funds. This ban by the market regulator on Karvy Stock Broking from taking on new clients and executing trades for allegedly misusing client securities has unnerved the country's retail investors. The Securities and Exchange Board of India (SEBI) barred Karvy after a preliminary investigation by the National Stock Exchange (NSE) showed the brokerage pledged and sold some of its client securities to raise funds for its own use, without client authorisation and in violation of new rules. This entire episode highlights the importance of carrying out proper due diligence by the public before choosing and entrusting anyone their hard earned resources.

Looking back at the year 2019, financial markets round the world including ours have witnessed major ups and downs on back of various news flows. At index level benchmark index Nifty has scaled more than 1000 points from the end of 2018. This can be largely attributed to quality large cap stocks. Even though indices are at all-time high, many investors do still feel that their portfolios are yet to catch up. Going forward it is expected that quality companies from mid and small cap universe to largely contribute towards the up move.

We are witnessing the money slowly moving into quality mid, small and micro-cap stocks. Investors may allocate a small portion of their funds into quality companies in mid, small and micro-cap space. However while doing so, the associated risks are to be kept in mind.

**Happy and Safe Investing!!!**

### Snap Shots

<b>Inflation (WPI) (%)</b>	<b>0.16% Oct 19</b>	<b>0.33% Sep 19</b>	<b>1.08% Aug 19</b>	<b>1.08% Jul 19</b>
<b>Inflation (CPI) (%)</b>	<b>4.62% Oct 19</b>	<b>3.99% Sep 19</b>	<b>3.21% Aug 19</b>	<b>3.15% Jul 19</b>
<b>India Industrial Production (IIP) (%)</b>	<b>-4.3% Oct 19</b>	<b>-1.1% Sep 19</b>	<b>4.3% Aug 19</b>	<b>2% Jul 19</b>
<b>Particulars</b>	<b>29-Nov-2019</b>	<b>22-Nov-2019</b>	<b>15-Nov-2019</b>	<b>08-Nov-2019</b>
91-Day Cut-off (%)	4.989	5.008	5.050	5.034
10-yr G-Sec yield (%)	6.460	6.495	6.519	6.554
USD/INR(Rs)	71.749	71.792	71.650	71.360
EUR/INR (Rs)	79.046	79.143	79.187	78.638

### Global Indices

Indices	Country	Index as on 29.11.2019	Index as on 31.10.2019	Variation (%) (Inc/ Dec)
SENSEX	India	40,793.81	40,129.05	1.66
NIFTY 50	India	12,056.05	11,877.45	1.50
NASDAQ	United States	8,665.47	8,292.36	4.50
DJIA	United States	28,051.41	27,046.20	3.72
S&P 500	United States	3,140.98	3,037.56	3.40
Hang Seng	Hong Kong	26,346.49	26,667.71	-1.20
Nikkei 225	Japan	23,293.91	22,927.04	1.60
Shanghai Composite	China	2,871.98	2,929.06	-1.95
Straits Times	Singapore	3,193.92	3,207.92	-0.44
FTSE 100	United Kingdom	7,346.53	7,248.38	1.35
CAC 40	France	5,905.17	5,729.85	3.06
DAX	Germany	13,236.38	12,866.79	2.87

### Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments November 2019	Equity	9,441.66	8,867.48	574.18
	Debt	1,845.29	3,203.48	-1,358.19
Mutual Fund November 2019	Equity	3,601.12	4,157.01	-555.89
	Debt	10,456.61	8,002.55	2,454.06
<b>FII Derivative Trades (Rs. in Crores) November 2019</b>	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	8046.77	505041.10	40253.09	6473.87
- Sell	10807.89	498169.92	38261.87	6263.30



### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Axis Retirement Savings Fund	29-Nov-2019	13-Dec-2019	Rs. 5,000	Open Ended

### Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-Date	Record Date
HCLTECH	HCL Technologies Limited	Bonus 1:1	05-Dec-19	07-Dec-19
HEIDELBERG	Heidelberg Cement India Limited	Interim Dividend - Rs 1.50 Per Share	05-Dec-19	06-Dec-19
THOMASCOOK	Thomas Cook (India) Limited	Demerger	05-Dec-19	06-Dec-19
TRIDENT	Trident Limited	Face Value Split (Sub-Division) - From Rs 10/- Per Share To Rs 1/- Per Share	13-Dec-19	16-Dec-19
BALMLAWRIE	Balmer Lawrie & Company Limited	Bonus 1:2	26-Dec-19	28-Dec-19

### Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
TCS	2021	Buy	2000-2010	1975	2070	Short term
Pidilite Industries	1320	Buy	1310-1320	1300	1350	Short term
HDFC Bank	1265	Buy	1260-1265	1230	1310	Short term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 02.12.19.

### Crude and Rupee check

Crude opened at \$54.14 in November. Crude price in the month of November witnessed lower volatility compared to previous months. After hitting low of \$54.07 in November recovered and closed at \$55.17 on 29th November, 2019. Rupee closed at Rs71.74 on 29th November, 2019.

Brent crude price movement



USD-INR price movement



### Sector-wise performance (November 2019)

Sector	Market-Cap (Rs)	% Change	Advance	Decline
Agriculture	74,502	-32.21%	2	58
Alcohol	83,441	-3.00%	2	8
Automobile & Ancillaries	9,62,552	-30.13%	4	109
Aviation	55,874	0.65%	1	2
Banks	23,69,477	-0.14%	7	30
Capital Goods	3,05,208	-22.85%	10	75
Chemicals	5,80,944	5.62%	17	80
Construction Materials	3,67,847	-13.50%	4	52
Consumer Durables	1,35,726	2.56%	6	21
Containers & Packaging	5,381	-41.77%	0	12
Diamond & Jewellery	1,28,299	2.13%	3	9
Diversified	1,75,168	-24.88%	4	17
Electricals	19,038	-49.74%	3	22
ETF	21,224	-9.15%	35	11
Finance	13,14,703	4.89%	17	88
FMCG	14,31,544	19.52%	17	24
Footwear	36,719	83.05%	2	3
Healthcare	7,21,628	-6.55%	20	76
Hospitality	46,729	-33.59%	2	25
Industrial Gases & Fuels	1,11,421	-10.97%	4	2
Infrastructure	3,26,861	-19.62%	3	57
Insurance	4,15,573	13.77%	4	2
Logistics	77,336	-28.69%	2	29
Manufacturing	14,804	-18.80%	1	5
Media & Entertainment	77,674	-48.81%	2	35
Metals & Mining	5,86,604	-37.52%	7	95
Miscellaneous	91,968	-21.74%	2	35
Oil & Gas	14,96,621	12.80%	3	12
Paper	9,009	-50.35%	0	21
Photographic Products	14	-81.25%	0	1
Plastic Products	53,710	-18.50%	3	25
Power	3,87,099	-16.55%	3	28
Real Estate	1,74,806	-25.84%	4	51
Retailing	1,79,810	19.96%	4	9
Ship Building	5,278	-25.38%	0	1
Software & IT Services	15,94,200	15.41%	18	72
Telecom	3,35,632	-36.04%	3	22
Textiles	93,630	-37.03%	7	104
Trading	42,850	-20.05%	2	14

## Mutual Fund Corner

Scheme for the Month : Axis Long Term Equity Fund

Level of Risk : Moderately High

### Objective:

The scheme aims to generate regular long term capital growth from a diversified portfolio of equity and equity related securities. The Scheme will invest in companies with strong growth & a sustainable business model.

Investment Details	
Minimum Investment Amount (Rs)	Rs 500
Additional Investment (Rs)	Rs 500
SIP(Rs)	Rs 500
Options	Growth/Dividend
Expense Ratio (%)	1.72% (As on Oct 31, 2019)
Lock-in period	Three years for every allotted units
Exit Load (%)	-

### Trailing Returns

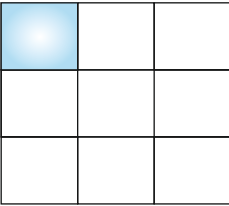
Trailing Returns %	Fund Return	S&P BSE 250 Large MidCap TRI	Category Return
Year to Date	-1.33	1.28	0.53
1 Month	9.92	9.61	9.48
3 Months	14.26	10.37	8.47
1 Year	15.83	13.79	10.82
3 Years	11.38	8.92	8.1
5 Years	-1.33	1.28	0.53

**Return Since Launch 17.28%**

Note: Return up to 1 year are absolute and over 1 year are annualized

### Current Statistics & Profile

Latest NAV	Rs. 48.62(Growth) Rs. 22.63(Dividend) as on 29.11.19
Fund Category	Equity: ELSS
Type	Open Ended
Launch Date	Dec 29, 2009
Net Assets (Cr)	Rs 21,492 crore
Benchmark	S&P BSE 200 TRI

Fund Style	Concentration & Valuation	
<b>Investment Style</b> Growth Blend Value  Capitalisation Large Medium Small	Number of Stocks	32
	Top 10 Stocks (%)	65.19
	Top 5 Stocks (%)	37.76
	Top 3 Sectors (%)	62.76
	Portfolio P/B Ratio	5.92
	Portfolio P/E Ratio	37.17

### Asset Allocation

As on 31.10.19	% Net Assets
Equity	95.31
Debt	5.01
Cash	-

### Top 10 stock constituents of fund in percentage as on 31.10.2019

Sl. No.	Company	Sector	% Assets
1)	Bajaj Finance	Financial	8.11
2)	Kotak Mahindra Bank	Financial	8.00
3)	HDFC Bank	Financial	7.79
4)	Avenue Supermarts	Services	6.94
5)	Tata Consultancy Services	Technology	6.92
6)	Bandhan Bank	Financial	6.62
7)	HDFC	Financial	5.49
8)	Pidilite Industries	Chemicals	5.48
9)	Info Edge (India)	Services	5.47
10)	Maruti Suzuki India	Automobile	4.37



### Hedging and How it Works

#### What is hedging?

A hedge is an investment that protects your finances from a risky situation. Hedging is done to minimize or offset the chance that your assets will lose value. It also limits your loss to a known amount if the asset does lose value. It's similar to home insurance. You pay a fixed amount each month. If a fire wipes out all the value of your home, your loss is only the known amount of the deductible.

#### Derivatives as a hedging tool:

Most investors who hedge use derivatives. These are financial contracts that derive their value from an underlying real asset, such as a stock. An option is the most commonly used derivative. It gives you the right to buy or sell a stock at a specified price within a window of time.

Here's how it works to protect you from risk. Let's say you bought a stock. You thought the price would go up but wanted to protect against the loss if the price plummets. You'd hedge that risk with a put option. For a small fee, you'd buy the right to sell the stock at the same price. If it falls, you exercise your put and make back the money you just invested minus the fee.

#### Diversification a hedging strategy:

Diversification is another hedging strategy. You own an assortment of assets that don't rise and fall together. If one

asset collapses, you don't lose everything. For example, most people own bonds/ gold to offset the risk of stock ownership. When stock prices fall, bond/ gold values increase. This only applies to high-grade corporate bonds or treasuries. The value of junk bonds falls when stock prices do because both are risky investments.

### Everyday Hedges:

Most people have, whether they know it or not, engaged in hedging. For example, when you buy life insurance to support your family in the case of your death, this is a hedge. You pay money in monthly sums for the coverage provided by an insurance company. Although the textbook definition of hedging is an investment taken out to limit the risk of another investment, insurance is an example of a real-world hedge.

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