



Indbank Online

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Economic & Business Updates

RBI rate hikes meets expectations, unlikely to have major impact: The RBI, led by Governor Shaktikanta Das, raised the repo rates by 35 basis points to 6.25 percent. In tune with the global monetary policies, the MPC voted to remain focused on withdrawal of accommodation.

Manufacturing PMI rises up to 55.7 in November: The PMI edges up higher in November owing to cooling of cost pressure and rise in consumer demand. A reading above 50 indicates expansion in activity, while below 50 is a sign of contraction. The manufacturing PMI has come in above 50 for the 17th month in a row. This is the ninth straight month in which S&P Global's survey has shown an increase in manufacturing employment.

Unrest in China might lead to businesses eyeing Indian shores: The widespread turmoil in China over Covid policy might turn out to be a great opportunity for India to cater to businesses looking for an alternate supply chain. Foxconn plans to more than double its iPhone production in India in 2023 compared to 2022. The longer term goal is to produce nearly half its iPhones in India, compared to the current 4 per cent.

Acquisition of Bisleri by Tata to account for major synergies: The Tata group announced the acquisition of Bisleri through Tata Consumer Products, which currently holds packaged water brands like Himalayan, Tata Copper Plus Water and Tata Gluco+. Bisleri's robust inventory, sales volume, and network coverage would be a major advantage for Tata, who would now be looking to gain leadership position in the packaged water market.

Easing of rules by IRDA could ramp up business of smaller insurance players: Currently the insurance market in India remains highly concentrated with top five companies in the industry. With IRDA's relaxation in rules with regards to capital requirement and removal of commission caps, the remaining insurers will now have a chance to bag more business.

China turmoil, cap on Russian oil leads to cut in oil production: China is the biggest consumer of crude oil in the world. A resurgence of Covid in China and shutdowns have threatened the demand side of the equation. The country has already slowed down the consumption of oil. Further, the ongoing cap on Russian oil and a strong dollar are affecting the supply side dynamics.

President's Desk



Warm greetings to all readers!!!

This past month, we witnessed markets claiming uncharted heights as benchmark indices made record highs on more than one occasion. The Sensex moved up by 3.9%, while Nifty was up by 4.1% mainly led by the gains in the PSU Banks and Metal sector. PSU Bank performance has been boosted by improved quarterly earnings, better asset quality, pickup in credit cycle and a larger share of corporate loans as compared to private banks. The role of FII's has been instrumental in a sustained rally in indices since the month of June. The November month saw net FII buys to the tune of Rs 22,546.34 crores which is the highest since February 2021.

The economic conditions seem to be conducive in the light of positive global cues including alleviating global inflation, falling crude and commodities prices as well as vigorous FII buying.

The 35 basis point rate hike by RBI was well within the expected levels and is unlikely to cause any major jitters in market sentiment. With rate hikes in a tapering trend amid revival of normal economic activity, markets look ready for their next big leap.

Happy and Safe Investing!!! Stay Safe!!!

With warm regards,

Mr. V. Hari Babu - President & Whole-Time Director

Snap Shots

<i>Inflation (WPI) (%)</i>	8.39% <i>(October 2022)</i>	10.7% <i>(September 2022)</i>	12.41% <i>(August 2022)</i>	13.93% <i>(July 2022)</i>
<i>Inflation (CPI) (%)</i>	6.77% <i>(October 2022)</i>	7.41% <i>(September 2022)</i>	7% <i>(August 2022)</i>	6.71% <i>(July 2022)</i>
<i>India Industrial Production (IIP) (%)</i>	0.8% <i>(August 2022)</i>	2.4% <i>(July 2022)</i>	12.3% <i>(June 2022)</i>	19.6% <i>(May 2022)</i>
Particulars	4.11.2022	11.11.2022	18.11.2022	25.11.2022
<i>91-Day Cut-off (%)</i>	6.47	6.48	6.44	6.45
<i>10-yr G-Sec yield (%)</i>	7.48	7.32	7.32	7.32
<i>USD/INR(Rs)</i>	82.53	80.65	81.70	81.53
<i>EUR/INR (Rs)</i>	80.72	82.47	84.71	84.87

Global Indices

Indices	Country	31-Oct-22	30-Nov-22	Variation (%) (Inc/Dec)
SENSEX	India	60,746.59	63,099.65	3.9%
NIFTY 50	India	18,012.20	18,758.35	4.1%
S&P 500	United States	3,871.98	4,080.11	5.4%
DJIA	United States	32,732.95	34,589.77	5.7%
NASDAQ	United States	10,988.15	11,468.00	4.4%
FTSE 100	United Kingdom	7,094.50	7,573.10	6.7%
CAC 40	France	6,266.77	6,738.55	7.5%
DAX	Germany	13,253.74	14,397.04	8.6%
Nikkei 225	Japan	27,587.46	27,968.99	1.4%
Straits Times	Singapore	3093.11	3290.49	6.4%

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments November 2022	Debt	9,543.07	9,152.82	390.25
	Equity	1,91,146.83	1,61,824.58	29,322.25
Mutual Fund November 2022	Debt	1,05,327.26	1,04,770.34	556.92
	Equity	82,927.09	78,608.96	4,318.13
FII Derivative Trades (Rs. in Crores) October 2022	<i>INDEX FUTURES</i>	<i>INDEX OPTIONS</i>	<i>STOCK FUTURES</i>	<i>STOCK OPTIONS</i>
<i>Buy</i>	79,718.09	2,11,91,710.60	375766.17	208415.2
<i>Sell</i>	72,482.37	2,11,13,001.54	374325.06	208287.89

Stock Picks

Company Name / Symbol	Current Market Price (CMP) (RS)	Buy / Sell	Stop loss	Target	Short Medium / Long term
Shriram Finance	1325	Buy	1275	1420	Short term
Federal Bank	135	Buy	130	145	Short term
ICICI Bank	922.4	Buy	896.1	975	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 07.12.22.

Upcoming corporate actions

Security Code	Security Name	Company Name	Purpose	Ex Date	Record Date
533029	ALKALI	ALKALI METALS LTD.	E.G.M.	08-Dec-22	-
543335	APTUS	Aptus Value Housing Finance India Ltd	Interim Dividend - Rs. - 2.0000	08-Dec-22	09-Dec-22
540073	BLS	BLS International Services Ltd	Bonus issue 1:1	08-Dec-22	10-Dec-22
511196	CANFINHOME	CAN FIN HOMES LTD.	Interim Dividend - Rs. - 1.5000	08-Dec-22	09-Dec-22
542910	VALENCIA	Valencia Nutrition Ltd	E.G.M.	12-Dec-22	-
532315	TELESYS	TELESYS SOFTWARE LTD.	E.G.M.	14-Dec-22	-
513502	BAROEXT	BARODA EXTRUSION LTD.	E.G.M.	15-Dec-22	-
524230	RCF	RASHTRIYA CHEMICALS & FERTILIZERS LTD.	Interim Dividend - Rs. - 1.6000	15-Dec-22	16-Dec-22
524230	RCF	RASHTRIYA CHEMICALS & FERTILIZERS LTD.	Final Dividend - Rs. - 2.5000	15-Dec-22	16-Dec-22
523539	PRECWIRE	PRECISION WIRES INDIA LTD.	Bonus issue 1:2	22-Dec-22	22-Dec-22
502587	NATHIND	Nath Industries Ltd	E.G.M.	23-Dec-22	-

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs)	Type
Mahindra Manulife Small Cap Fund	21-11-2022	05-12-2022	1000	Small Cap Fund
ICICI Prudential Nifty Pharma Index Fund	25-11-2022	09-12-2022	1000	Sectoral/Thematic
Union Multicap Fund - RP - (G)	28-11-2022	12-12-2022	1000	Multi Cap Fund
Samco ELSS Tax Saver Fund-RP-(G)	15-11-2022	16-12-2022	5000	ELSS
IIFL ELSS Nifty 50 Tax Saver Index Fund	01-12-2022	21-12-2022	500	ELSS

Crude & Rupee check

The crude opened at \$94.65 for the month and edged close to the \$100 mark in the first half. However it dropped sharply to close the month at \$85.43, taking the loss for the month to 10.79%.

The USD-INR was trading at \$82.68 at start of month, witnessed a sharp fall to 80.5 levels during mid-month. It picked up some momentum to cut loss towards the end of month and closed at \$81.31.

Crude Chart



USD-INR Chart



Mutual Fund Corner

Scheme for the Month : ICICI Prudential Technology Fund

Level of Risk : Very High

Objective:

The Scheme seeks to achieve long term capital appreciation by creating a portfolio that is invested in equity and equity related securities of technology and technology dependant companies.

Trailing Returns

Trailing Returns (%)	ICICI Prudential Technology Fund	S&P BSE IT TRI
YTD	-16.79 %	-16.72 %
1-M	6.79 %	7.21 %
6-M	4.77 %	2.82 %
Return Since Launch	23.29%	18.60 %

Fund Details:

NAV as on 05.12.2022	Rs 155.65
Fund House	ICICI Prudential Mutual Fund
Launch Date	1 st Jan, 2013
Benchmark	S&P BSE IT TRI
Type	Open-ended
Assets Under Management	Rs 9,182 Cr

Knowledge corner!!!

Repurchase Agreement and Repo Rate

What is a Repurchase Agreement?

A repurchase agreement (repo) is a form of short-term borrowing for dealers in government securities. In the case of a repo, a dealer sells government securities to investors, usually on an overnight basis, and buys them back the following day at a slightly higher price. That small difference in price is the implicit overnight interest rate. Repos are typically used to raise short-term capital. They are also a common tool of central bank open market operations.

Importance of Repo rate: When government central banks repurchase securities from banks, they do so at a discounted rate, known as the repo rate. Like prime rates, repo rates are set by central banks. The repo rate system allows governments to control the money supply within economies by increasing or decreasing available funds.

A decrease in repo rates encourages banks to sell securities back to the government in return for cash. This increases the money supply available to the general economy. Conversely, by increasing repo rates, central banks can effectively decrease the money supply by discouraging banks from reselling these securities.

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Indbank Merchant Banking Services Ltd.
I Floor, Khiviraj Complex I,
No.480, Anna Salai, Nandanam, Chennai-
600035.

Telephone No: 044 – 24313094 – 97.

Editorial Team

Mr. V. Hari babu
President
&
Whole Time Director

Mr. Tausif Inamdar
Head
Service Branch

Mr. R. Sreeram
Head - Research