



Indbank Online

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What's New!!!

Economic & Business Updates

India's exports grow by 47% to \$32.46 billion in June: India's exports during the April to June quarter in 2021 jumped to \$95 billion on account of healthy growth in engineering, rice, oil meals and marine products as well as other sectors, said the Union ministry for commerce and industry.

India's services PMI falls to 41.2 in June: India's services PMI fell to 41.2 in June 2021 from 46.4 in May, according to data from IHS Markit. Services Purchasing Managers' Index (PMI) of above 50 indicates expansion, while a reading of below 50 suggests contraction.

Across Indian states, economic activity picked up in June: data for June suggests that the Indian economy has picked up pace after a lockdown-induced collapse in May, and that the economic damage has been less severe than during the 2020 lockdown.

RBI warns against allowing Big Tech firms into financial services: Entry of the so-called Big Tech companies in financial services in emerging markets such as India could present challenges to regulators towards maintaining adequate stability and governance of the ecosystem, the Reserve Bank of India said.

Govt includes retail and wholesale trade as MSMEs, to benefit 2.5 crore traders: Revising guidelines for MSMEs, retail and wholesale trade has now been included as Micro, Small and Medium Enterprises, Minister of MSME and Road Transport and Highways, Nitin Gadkari announced. This would mean that retail and wholesale trade will also now be able to avail benefits such as priority sector lending under RBI guidelines.

India joins G20-OECD tax framework deal: India joined the G20-OECD inclusive framework deal that seeks to reform international tax rules and ensure that multinational enterprises pay their fair share wherever they operate, the finance ministry said.

Indian market very expensive; China, Japan much cheaper says Nomura: Indian equity markets are very expensive based on traditional valuation metrics, said Jim McCafferty, head of Asia research ex-Japan at Nomura Securities Hong Kong at a virtual event. McCafferty said that at 22.5 times one-year forward earnings, Indian equity markets are expensive relative to peers such as China and Japan in Asia.

Oil prices hit three-year highs after OPEC+ talks are called off: The price of oil has hit its highest level in three years after the oil cartel OPEC and its allies called off planned talks over changes to global supplies. Russia and Saudi Arabia had been pushing to increase production after last year's supply cuts, but the United Arab Emirates disagreed.

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President Desk



Warm greetings to all readers!!!

After run up that we witnessed in our domestic bourses, markets seems to be taking breather post Fed outcome last month that projected couple of interest rate hikes by end of the year 2023. Markets witnessed additional selling pressure on back of FPIs maintaining their profit booking stance.

After the resurging covid-19 wave in April, markets have reacted positively to the fall in the new daily cases and overall positivity rate of infections this month. On a trailing twelve-month (TTM) basis, the index has delivered a decent return. As the Covid-19 wave receded in previous the months, domestic focussed sectors saw renewed interest and are showing signs of recovery.

Various states are adopting micro containment strategy against the virus spread which is hampering pick-up in economic activities. There has been some relief on the Covid-19 front as the daily new cases, active cases and daily fatalities all are trending lower but the restriction on mobility across many places continues. The state governments are exhibiting extreme caution by not repeating the mistakes of unlocking too quickly as earlier. It is expected that going forward the unlocking of restricted economic activity & general mobility should gradually begin in the coming months. It is necessary for every one of us to follow all essential health & hygiene protocols as prescribed at all times, so that we do not have to deal with further resurgences of virus in the future.

Overall equity portfolio returns have started turning positive after going through a period of slump. Thanks to broad based rally that we are witnessing off late. Going forward with the positive policy announcements, it is expected that mid and small sized companies could witness decent growth. It is always better to stick on with quality business franchises than betting on low quality companies.

Happy and Safe Investing!!!

Stay Safe!!!

Snap Shots

<i>Inflation (WPI) (%)</i>	12.94% <i>(May 2021)</i>	10.49% <i>(April 2021)</i>	7.39% <i>(March 2021)</i>	4.17% <i>(February 2021)</i>
<i>Inflation (CPI) (%)</i>	6.30% <i>(May 2021)</i>	4.29% <i>(April 2021)</i>	5.52% <i>(March 2021)</i>	5.03% <i>(February 2021)</i>
<i>India Industrial Production (IIP) (%)</i>	134.4% <i>(April 2021)</i>	22.4% <i>(March 2021)</i>	-3.4% <i>(February 2021)</i>	-1.6% <i>(January 2021)</i>
<i>Particulars</i>	04.06.21	11.06.21	18.06.21	25.06.21
<i>91-Day Cut-off (%)</i>	3.41	3.40	3.47	3.47
<i>10-yr G-Sec yield (%)</i>	6.25	6.24	6.25	6.34
<i>USD/INR(Rs)</i>	73.03	72.98	74.14	74.18
<i>EUR/INR (Rs)</i>	88.45	88.98	88.26	88.57

Global Indices

Indices	Country	Index as on 30.06.2021	Index as on 31.05.2021	Variation (%) (Inc/Dec)
<i>SENSEX</i>	<i>India</i>	52,482.71	51,937.44	1.05
<i>NIFTY 50</i>	<i>India</i>	15721.50	15582.80	0.89
<i>S&P 500</i>	<i>United States</i>	4,297.50	4,204.11	2.22
<i>DJIA</i>	<i>United States</i>	34,502.51	34,529.45	-0.08
<i>NASDAQ</i>	<i>United States</i>	14,503.95	13,748.74	5.49
<i>FTSE 100</i>	<i>United Kingdom</i>	7052.62	7,022.61	0.43
<i>CAC 40</i>	<i>France</i>	6,507.83	6,447.17	0.94
<i>DAX</i>	<i>Germany</i>	15,531.04	15,421.13	0.71
<i>Nikkei 225</i>	<i>Japan</i>	28,791.53	28,860.08	-0.24
<i>Straits Times</i>	<i>Singapore</i>	3134.22	3,164.28	-0.95
<i>Hang Seng</i>	<i>Hong Kong</i>	28,827.95	29,151.80	-1.11
<i>Shanghai Composite</i>	<i>China</i>	3,591.20	3,615.48	-0.67

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments June 2021	Equity	168,729.24	158,477.38	10,251.86
	Debt	12,673.81	17,161.54	-4,487.73
Mutual Fund June 2021	Equity	20,726.86	21,847.26	-1,120.40
	Debt	40,843.75	36,129.88	4,713.87
FII Derivative Trades (Rs. in Crores) June 2021	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	84,464.45	9,695,106.01	408192.12	352720.13
-Sell	89,104.95	9,689,576.78	411156.18	352892.96

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
ICICI Prudential Flexicap fund	28-Jun-2021	12-Jul-2021	5000	Open Ended
Invesco India Medium Duration Fund	29-Jun-2021	13-Jul-2021	1000	Open Ended
Navi Nifty 50 Index Fund	03-Jul-2021	12-Jul-2021	500	Open Ended
SBI Consumption ETF	30-Jun-2021	14-Jul-2021	5000	Open Ended

Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
DRREDDY	DR.REDDY'S LABORATORIES LTD.	Final Dividend - Rs. - 25.0000	09-Jul-21	-
NAVINFLUOR	Navin Fluorine International Limited	Final Dividend - Rs. - 6.0000	09-Jul-21	-
TRENT	TRENT LTD.	Final Dividend - Rs. - 0.6000	09-Jul-21	-
ALKYLAMINE	ALKYL AMINES CHEMICALS LTD.	Final Dividend - Rs. - 6.0000	12-Jul-21	-
BOSCHLTD	BOSCH LTD.	Dividend - Rs. - 115.0000	12-Jul-21	-
DWARKESH	DWARIKESH SUGAR INDUSTRIES	Dividend - Rs. - 1.2500	12-Jul-21	-

	LTD.			
POLYCAB	Polycab India Ltd	Dividend - Rs. - 10.0000	12-Jul-21	-
LAXMIMACH	LAKSHMI MACHINE WORKS LTD.	Dividend - Rs. - 10.0000	13-Jul-21	-
SALASAR	Salasar Techno Engineering Ltd	Bonus issue 1:1	13-Jul-21	14-Jul-21
SESHAPAPER	SESHASAYEE PAPER & BOARDS LTD.	Dividend - Rs. - 2.5000	13-Jul-21	-
TIRUMALCHM	THIRUMALAI CHEMICALS LTD.	Dividend - Rs. - 2.2000	13-Jul-21	-
TINPLATE	TINPLATE COMPANY OF INDIA LTD.	Dividend - Rs. - 2.0000	14-Jul-21	-
UPL	UPL Limited	Final Dividend - Rs. - 10.0000	14-Jul-21	-
APOLLOTYRE	APOLLO TYRES LTD.	Final Dividend - Rs. - 3.5000	15-Jul-21	-
ATUL	ATUL LTD.	Dividend - Rs. - 20.0000	15-Jul-21	-
BHARATFORG	BHARAT FORGE LTD.	Final Dividend - Rs. - 2.0000	15-Jul-21	16-Jul-21
CHEVIOT	CHEVIOT CO.LTD.-\$	Special Dividend - Rs. - 175.0000	15-Jul-21	-
COROMANDEL	COROMANDEL INTERNATIONAL LTD.	Final Dividend - Rs. - 6.0000	15-Jul-21	-
DHANUKA	DHANUKA AGRITECH LTD.	Dividend - Rs. - 2.0000	15-Jul-21	-
ESCORTS	ESCORTS LTD.	Final Dividend - Rs. - 5.0000	15-Jul-21	-
M&M	MAHINDRA & MAHINDRA LTD.	Dividend - Rs. - 8.7500	15-Jul-21	-
NEWGEN	Newgen Software Technologies Ltd	Dividend - Rs. - 3.5000	15-Jul-21	16-Jul-21
NUCLEUS	NUCLEUS SOFTWARE EXPORTS LTD.	Final Dividend - Rs. - 6.0000	15-Jul-21	-
SASKEN	Sasken Technologies Ltd	Final Dividend - Rs. - 15.0000	15-Jul-21	-
TCS	TATA CONSULTANCY SERVICES LTD.	Interim Dividend	15-Jul-21	16-Jul-21
CERA	CERA SANITARYWARE LTD.	Dividend - Rs. - 13.0000	16-Jul-21	-
M&MFIN	MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD.	Dividend - Rs. - 0.8000	16-Jul-21	-
UTIAMC	UTI Asset Management Company Ltd	Final Dividend - Rs. - 17.0000	19-Jul-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
ITC	203.70	Buy	203	195	215	Short term
IDFC First Bank	53.90	Buy	53	49	60	Short term
Adani port	722.50	Buy	720	700	760	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 07.07.21.

Crude and Rupee check

Brent crude opened at \$ 66.70 in the month of May 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 \$ 69.32. Rupee closed at Rs 72.51 on 31st May, 2021.

Brent crude price movement:



USD-INR price movement:



Mutual Fund Corner

Scheme for the Month : **Nippon India ETF Gold Bees**

Level of Risk : Moderately High

Objective

The fund aims to provide returns that closely correspond to the return provided by the price of gold through investment in physical gold.

Trailing Returns

Trailing Returns (%)	Fund	Domestic Price of Gold	Commodities: Gold
YTD	-3.28	-1.78	-3.38
1-M	3.14	5.53	3.32
3-M	8.33	9.32	8.43
1-Y	3.08	4.89	2.74
3-Y	15.34	16.67	15.17
5-Y	9.63	10.95	9.54
Return Since Launch	11.13		

Fund Details

NAV as on 07.06.2021	Rs 42.46
Fund House	Nippon India Mutual Fund
Launch Date	08-Mar-2007
Benchmark	Domestic Price of Gold
Type	Open-ended
Assets Under Management	₹ 5,716 Cr (As on 30-04-2021)
Expense	0.82 % (As on 30-04-2021)
Underlying asset	Gold

Knowledge corner!!!

The Importance of Inflation and GDP

Inflation - can mean either an increase in the money supply or an increase in price levels. When we hear about inflation, we are hearing about a rise in prices compared to some benchmark. If the money supply has been increased, this will usually manifest itself in higher price levels it is simply a matter of time.

Gross domestic product (GDP) - it represents the total aggregate output of the economy. It is important to keep in mind that the GDP figures, as reported to investors by the agencies, are already adjusted for inflation. In other words GDP is a monetary measure of the market value of all the final goods and services produced in a specific time period.

The relationship between Inflation and GDP - For stock market investors, annual growth in the GDP is vital. If the overall economic output is declining, or merely holding steady, most companies will not be able to increase their profits. The growth in GDP causes inflation. Inflation, if left unchecked, runs the risk of morphing into hyperinflation. Once this process is in place, it can quickly become a self-reinforcing feedback loop. This is because, in a world where inflation is increasing, people will spend more money because they know that it will be less valuable in the future. This causes further increases in GDP in the short term, bringing about further price increases.

Implications for Investors: For stock investors, inflation, whether real or anticipated, is what motivates us to take on the increased risk of investing in the stock market, in the hope of generating the highest real rates of return. As long as inflation is moderate, the stock market provides the best chances compared to fixed income and cash.

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