



What's New!!!

Economic & Business Updates

PM Modi says India will get its growth back: Speaking at the Confederation of Indian Industry's (CII) annual session, Prime Minister Narendra Modi asserted that India would definitely get its growth back, and promised more structural reforms that will change the "course of our country".

G7 very out dated, want India, South Korea, Australia in grouping Says US President Trump: Calling the G7 a "very out dated group", US President Donald Trump said he would like to include India, Australia, South Korea and Russia in the grouping of the largest advanced economies. Trump suggested that the Group of 7 be called "G10 or G11", and proposed that the grouping meet in September or November this year.

India Manufacturing PMI Contracts for Second Straight Month: India's manufacturing activity contracted sharply in May after a historic decline in April amid the on-going coronavirus lockdown. The manufacturing Purchasing Manager's Index (PMI) released by IHS Markit stood at 30.8 in May, slightly better than 27.4 recorded in April but still well below the 50 mark that divides contraction from expansion.

Rural joblessness rate falls to lowest since lockdown began: India's rural job loss rate has shown the highest improvement over the past two months, underscoring the impact of the easing of coronavirus-induced curbs across most parts of the country. Rural unemployment rate dropped to 17.92% in the week ended 31 May from 25.09% in the previous week, showed data issued by the Centre for Monitoring Indian Economy (CMIE). This also marked the biggest improvement in percentage terms in the rural job loss rate in nine weeks, according to CMIE.

3,450 points gain in 6 days till June 3rd, Sensex has best run in 7 months: Indian markets extended their rally to the sixth day on optimism that the easing of the nationwide lockdown will reboot economic growth, posting their longest winning streak since November, Sensex ended 284 points higher at 34109, adding more than a combined 3,450 points in six days. The broader Nifty 50 index ended 0.83% higher at 10,061 as on June 3rd.

BSNL Launches Rs. 365 Prepaid Recharge Plan With Year-Long Validity: The state-run Bharat Sanchar Nigam Limited has launched a new recharge plan for its prepaid subscribers. The newly launched prepaid plan costs ₹365 and it comes with a validity of 365 days.

Government hikes MSP of Kharif crops to boost farm income: The Centre announced higher Minimum Support Price (MSP) of 14 kharif (summer sown) crops for 2020-21, increasing the support price of most popular summer crop paddy from Rs 1,815 per quintal to Rs 1,868 per quintal.

Early arrival of locust swarms is worrisome, says scientist: the early arrival of the desert locust swarms has set off alarms bells in the agriculture scientist and entomologist community. The community had expected a smaller infestation in June and July, but the early arrival has the community worried about the kharif sowing.

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From the President's Desk

Warm greetings to all our esteemed clients!!!

After 68 days, India begins phase-wise unlocking of the coronavirus-induced nationwide lockdown. The Central government has extended the on-going lockdown till June 30 in containment zones and decided to open all activities in non-containment zones in a phased manner. This comes in at a time when cases registered on day to day basis are seeing a sharp surge. All kinds of social, political, sports, entertainment, academic, cultural and religious congregations would however remain suspended. It is essential to stay vigilant and follow all measures in preventing the second wave of virus spreading.

Our economy is slowly opening up and the similar exuberance is seen in the markets as well. Indices both Nifty and Sensex have gained more than thirty percent from recent lows witnessed in the month of March. Markets are still witnessing higher volatility on day to day basis and this trend is expected to continue in the immediate future.

Government announced Rs 20 lakh crore stimulus package close to 10% of the Indian GDP. Entire stimulus package is conceptualized and focused on the broad theme of **“Atma Nirbhar Bharat”** (self-reliant India) based on five pillars - quantum jump in economy, modern infrastructure the country can take pride in, technology-driven systems, demographic energy and creation of a strong demand and supply chain within the country. Details for the same were subsequently provided by the Finance Minister over five days. The stimulus package is a mix of fiscal support, monetary support and ease of doing business processes as well as some fundamental reforms. Certain key takeaway from the stimulus package include; collateral-free automatic loans to MSMEs worth Rs 3 lakh crore, disallowing global tenders in government procurement up to Rs 200 crore, announcement of Special Liquidity Scheme for NBFCs, MFCs, HFCs and one-time emergency liquidity infusion of Rs 90,000 crores for ailing discoms and so on.

Centre has acceded to the request of raising states' borrowing limit to 5 per cent of GSDP, up from 3 per cent before. States become eligible for the same by fulfilling reform measures in the areas of ease of doing business, one nation one ration

card, power distribution and urban local bodies. This came on back of requests from several state governments that had urged the Centre to relax the fiscal deficit limits imposed on them on account of the stress in their finances. This is a welcome move. Allowing states to borrow an additional Rs 4.28 lakh crore this year will provide them the resources to fight this pandemic and perhaps, help them maintain their budgeted expenditure allocations.

India is battling the worst desert locust outbreak in three decades, insects have now damaged crops in five states Rajasthan, Madhya Pradesh, Uttar Pradesh, Gujarat and Maharashtra. The Centre issued additional warning to 12 more states. Locust swarms eat food that farmers are growing for human consumption. If locust attacks of this proportion continue unabated, the insects will wipe out lakhs of tons of food grains and vegetables meant for human consumption and can cause fresh economic trouble.

Reliance Industries Ltd has been in news for various good reasons. Company has been successful in attracting investments into its telecom arm Jio from various marquee corporates and investors. Company also has come up with largest right issue which is seeing decent investor appetite. This has given a sigh of relief for bulls, as the stock is seen successful in holding up the indices higher given its significant weightage in the indices.

Every crisis in stock market earlier has been blessing in disguise for patient long term investors, who managed to invest in such times of extreme fear and were successful in sticking on with their quality investments. With the same belief, present fall that we are witnessing can also turn into a missed opportunity for those who are hesitant to invest in equities.

Happy and Safe Investing!!!

Stay Home, Stay Safe!!!

Snap Shots

<i>Inflation (WPI) (%)</i>	- * (April 2020)	1.00% (March 2020)	2.26% (February 2020)	3.1% (January 2020)
<i>Inflation (CPI) (%)</i>	5.84% (April 2020)	5.91% (March 2020)	6.58% (February 2020)	7.59% (January 2020)
<i>India Industrial Production (IIP) (%)</i>	-16.7% (March 2020)	4.5% (February 2020)	2% (January 2020)	-0.3% (December 2019)
Particulars	29.05.2020	22.05.2020	15.05.2020	08.05.2020
<i>91-Day Cut-off (%)</i>	3.27	3.28	3.48	3.52
<i>10-yr G-Sec yield (%)</i>	6.01	5.75	5.76	5.73
<i>USD/INR(Rs)</i>	75.60	75.95	75.83	75.53
<i>EUR/INR (Rs)</i>	83.91	82.79	82.01	81.88

* Commodities WPI could not be computed for April-2020 due to non-availability of manufactured product group index.

Global Indices

Indices	Country	Index as on 29.05.2020	Index as on 30.04.2020	Variation (%) (Inc/ Dec)
<i>SENSEX</i>	<i>India</i>	32,424.10	33,717.62	-3.84
<i>NIFTY 50</i>	<i>India</i>	9580.30	9,859.90	-2.84
<i>NASDAQ</i>	<i>United States</i>	9,489.87	8,889.55	6.75
<i>DJIA</i>	<i>United States</i>	25,383.11	24,345.72	4.26
<i>S&P 500</i>	<i>United States</i>	3,044.31	2,912.43	4.53
<i>Hang Seng</i>	<i>Hong Kong</i>	22,961.47	24,643.59	-6.83
<i>Nikkei 225</i>	<i>Japan</i>	21,877.89	20,193.69	8.34
<i>Shanghai Composite</i>	<i>China</i>	2,852.35	2,860.08	-0.27
<i>Straits Times</i>	<i>Singapore</i>	2,510.75	2,624.23	-4.32
<i>FTSE 100</i>	<i>United Kingdom</i>	6,076.60	5,901.21	2.97
<i>CAC 40</i>	<i>France</i>	4,695.43	4,572.18	2.70
<i>DAX</i>	<i>Germany</i>	11,781.10	10,861.64	8.47

Sector-wise performance (May 2020)

Sector	Market-Cap (Rs)	Change	Advance	Decline
Agri	97,261	-18.04%	3	56
Alcohol	74,488	-13.41%	0	10
Automobile & Ancillaries	7,65,326	-44.79%	3	109
Aviation	37,022	-33.33%	0	3
Banks	15,46,248	-45.11%	1	31
Capital Goods	2,20,672	-44.22%	4	77
Chemicals	5,71,183	5.78%	18	80
Construction Materials	3,27,152	-23.00%	4	53
Consumer Durables	1,25,514	-5.49%	5	22
Containers & Packaging	5,384	-42.85%	0	13
Diamond & Jewellery	1,04,698	-16.63%	3	8
Diversified	1,39,313	-42.11%	2	19
Electricals	12,435	-67.53%	0	24
ETF	15,965	-30.45%	15	32
Finance	8,24,035	-33.36%	6	104
FMCG	13,77,439	15.23%	14	26
Footwear	36,295	80.94%	2	3
Healthcare	8,48,854	9.93%	28	66
Hospitality	23,338	-66.26%	0	26
Industrial Gases & Fuels	1,01,167	-19.02%	3	3
Infrastructure	2,36,475	-41.93%	0	59
Insurance	3,39,761	-7.00%	3	3
Logistics	54,086	-50.22%	1	28
Manufacturing	11,533	-36.76%	1	5
Media & Entertainment	53,870	-64.38%	1	35
Metals & Mining	4,32,773	-53.87%	4	97
Miscellaneous	74,848	-36.70%	3	37
Oil & Gas	13,73,797	0.92%	1	13
Paper	6,150	-66.10%	0	21
Photographic Products	13	-82.43%	0	1
Plastic Products	44,338	-31.71%	2	25
Power	3,08,757	-33.73%	4	27
Real Estate	1,16,016	-50.97%	1	54
Retailing	1,91,562	23.83%	3	10

Ship Building	3,000	-57.58%	0	1
Software & IT Services	15,40,665	11.70%	13	74
Telecom	4,00,691	-25.54%	3	20
Textiles	70,036	-52.92%	3	101
Trading	30,796	-42.54%	0	16

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments May 2020	Equity	120,642.87	108,846.75	11,796.12
	Debt	14,827.48	35,480.92	-20,653.44
Mutual Fund May 2020	Equity	50,095.57	47,393.93	2,701.64
	Debt	109,857.38	100,619.79	9,237.59
FII Derivative Trades (Rs. in Crores) May 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	119,475.97	3,898,200.56	354177.72	60297.03
-Sell	122,282.21	3,886,797.68	357067.70	60854.97

Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
TCS	Tata Consultancy Services Limited	Dividend - Rs 6 Per Share	03-Jun-20	04-Jun-20
KKCL	Kewal Kiran Clothing Limited	Interim Dividend - Rs 6 Per Share	04-Jun-20	05-Jun-20
DICIND	DIC India Limited	Annual General Meeting/Dividend - Rs 4.50 Per Share	04-Jun-20	05-Jun-20
GESHIP	The Great Eastern Shipping Company Limited	Interim Dividend - Rs 2.70 Per Sh	09-Jun-20	10-Jun-20
ESABINDIA	Esab India Limited	Interim Dividend - Rs 70 Per Share	11-Jun-20	12-Jun-20
TATACOFFEE	Tata Coffee Limited	Annual General Meeting/Dividend - Rs 1.50 Per Share	12-Jun-20	-
KANSAINER	Kansai Nerolac Paints Limited	Annual General Meeting/Dividend - Rs 3.15 Per Share	12-Jun-20	-
RALLIS	Rallis India Limited	Annual General Meeting/Dividend - Rs 2.50 Per	17-Jun-20	-

		Share		
TATACONSUM	TATA CONSUMER PRODUCTS LIMITED	Annual General Meeting/Dividend -Rs 2.70 Per Share	18-Jun-20	-
HINDUNILVR	Hindustan Unilever Limited	Annual General Meeting/Dividend - Rs 14 Per Share	19-Jun-20	-
TATACHEM	Tata Chemicals Limited	Annual General Meeting/Dividend - Rs 11 Per Share	22-Jun-20	-
SANOFI	Sanofi India Limited	Dividend - Rs 106 Per Share Special Dividend 243 Per Share	29-Jun-20	-

Stock picks (Techno – Funda)

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Sun pharma	473	Buy	473	440	540	Short term
Shriram City Union Finance	642	Buy	642	620	780	Medium term
Union Bank	25.65	Buy	25-26	22.50	32	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 02.06.20.

Crude and Rupee check

Crude opened at \$ 26.98 in May. Crude price in the month of May crude witnessed significant price volatility. Selling pressure on back of covid-19 saw some respite as demand for the commodity was seen globally. After hitting low of almost \$ 25.50 crude closed the month of at \$37.66. Rupee recovered from historical low levels of Rs77.01 to 75 in the month of May 2020 and closed the month at Rs75.60.

Brent crude price movement:



USD-INR price movement:



ETF Corner

Scheme for the Month : Axis Gold ETF Fund

Level of Risk : Moderately High

Objective

Capital appreciation over medium to long term. Investment predominantly in gold in order to generate returns similar to the performance of gold, subject to tracking error.

Trailing Returns

Trailing Returns (%)	Fund	Commodities: Gold
YTD	20.24	20.65
1-M	1.6	0.24
3-M	12.07	12.47
1-Y	46.91	46.21
3-Y	16.71	16.49
5-Y	10.2	10.55

ETF Details

Last Traded Price NSE: AXISGOLD	4068 (as on 03.06.2020)
Last Traded Price BSE: 533570	4073 (as on 03.06.2020)
Fund House	Axis Mutual Fund
Launch Date	10-Nov-2010
Return Since Launch	7.90%
Benchmark	Domestic Price of Gold
Type	Open-ended
Assets Under Management	₹ 189 Cr (As on 30-Apr-2020)
Expense	0.50% (As on 30-Sep-2019)
Underlying asset	Gold

Knowledge corner!!!

Gold ETFs vs Sovereign Gold Bonds (SGB)

What is Gold ETF and SGB:

Gold ETFs are listed instruments whose market price is linked to domestic gold prices. Where as SGBs are issued by the government, for which investors get a holding certificate. It comprises government securities denominated in gold wherein investors are required to pay the issue price in cash. The bonds are redeemed in cash on maturity and are also eligible for conversion into demat form. These bonds provide an interest of 2.5 percent on the initial investment, payable half-yearly till maturity period of 8 years. The market price of the bond moves in line with domestic gold prices.

Return Comparison:

The rates of ETF and SGB are linked to physical gold rates. Capital appreciation benefit of both the investment products are the same. However, in addition to capital gain benefit, SGB also offers interest at 2.5 percent on the invested value to its investors. So, those who are investing for a very long period, 2.5 percent interest can make a difference to the overall return.

How much one can buy? :

There is no limit for Gold ETFs, however, investors would have to bear large bid-ask spread on the exchange due to low volumes. The maximum subscription limit for SGBs is 4 kg for individual, 4 kg for HUF, and 20 kg for trusts and similar entities per fiscal (April-March).

Liquidity:

Gold ETFs have better liquidity than the sovereign bonds. The former can be bought and sold on stock exchanges, just like any other scrip. The holding period depends entirely upon the buyer. But sovereign gold bonds come with an eight-year lock-in period. The investor will get the option to carry over his/her holding for an additional period. Investors can also prematurely withdraw from the fifth year on interest payment dates. But if units of SGB are held in demat, it is freely transferable.

Tax Treatment:

Interest from SGBs is taxable as per the investor's income slab. The capital gains on SGB is tax-exempt if held till maturity, and if exited post 5 years and before maturity, the capital gain is subject to tax at 20 percent with indexation benefit. Gold ETFs, meanwhile are taxed at 20 percent with indexation benefit if held for equal to or more than 3 years, and at the marginal rate if held for less than 3 years.

Accessibility:

ETFs have always been a good option to invest in gold, but only over the online platform. They are up for grabs anytime during regular trading hours, unlike sovereign gold bonds, for which, the government will intermittently keep the trading window open at post offices and banks.

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