



Indbank Online

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What's New!!!

Economic & Business Updates

FM Nirmala Sitharaman says macroeconomic fundamentals are sound: India's macroeconomic fundamentals remain sound, which is reflected in the robust investment flows into the country, said Finance Minister Nirmala Sitharaman.

RBI keeps lending rate at 4%, Projects real GDP growth this year at 9.5%: The Reserve Bank of India has kept the benchmark rates unchanged and "decided to continue with its accommodative stance as long as necessary to support growth and keep inflation within the target" at a time when the country is battling against the second wave of the pandemic. The central bank has also projected real GDP growth of 9.5 per cent for this financial year, which is lower compared to the earlier estimate of 10.5 per cent.

Monetary policy committee flags the risks to growth: The monetary policy committee (MPC) maintained status quo on policy rates and liquidity stance in its June policy highlighting increased risks to growth. The rural sector that had played the economy's savior in FY21 has come under stress in recent months with a significant rise in COVID-19 infections. The MPC points out that important rural demand indicators — tractor sales and two-wheeler sales — posted sequential declines in May.

Consumer confidence falls to all-time low, RBI survey shows: Consumer confidence in the current period, which has been in negative territory since July 2019, fell to a record low amid disruptions caused by the second wave of the Covid-19 pandemic. The current situation index dropped to 48.5 in May from 53.1 in March according to a survey conducted by Reserve Bank of India.

GST collections fall to an 8-month low in May 21: With the economic activity disrupted due to the second Covid-19 wave, the goods and services tax (GST) collections moderated to an eight-month low in May but remained over the Rs one trillion mark for the eighth straight month owing to tightened compliance measures.

DHFL Insolvency case, NCLT approves Piramal Group's resolution plan: The National Company Law Tribunal (NCLT), approved Piramal Group's overall resolution plan for beleaguered mortgage lender, Dewan Housing Finance (DHFL), with a few conditions. The NCLT rejected former DHFL promoter Kapil Wadhawan's plea to get access to a copy of the resolution plan.

Landmark G-7 deal to Tax tech giants like Amazon, Facebook for profits generated abroad: The Group of Seven rich nations secured a landmark deal that could help countries collect more taxes from big companies and enable governments to impose levies on U.S. tech giants such as Amazon.com Inc. and Facebook Inc.

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President Desk



Warm greetings to all readers!!!

Our domestic benchmark index S&P BSE Sensex has outperformed the developed market indices such as S&P 500 & Dow Jones Industrial Average which appreciated by 0.69% & 2.21% respectively, during the previous month. A favourable base of May 2020 is getting reflected in the TTM return. This has helped the S&P BSE Sensex to reduce the underperformance as compared to the S&P 500 & Dow Jones Industrial Average on a YTD basis.

S&P BSE Sensex increased by 6.67% on a total return basis in the month of May 2021. 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 return of almost 62%. As the Covid-19 wave receded during the month domestic focussed sectors saw renewed interest. The broader market has done better than Sensex in the month of May 2021. The S&P BSE Midcap Index appreciated by 7.16% and the S&P BSE Small-cap Index by 8.93%. The small & midcaps indices are up by 118% and 86% in the last one year (vs. Sensex return of 62%) and reflect some sense of complacency in terms of risks. It would be advisable that investors exercise caution and appropriate due diligence prior to entering this space.

Month of May has seen restrictions on mobility continue across most states. Various states are adopting micro containment strategy against the virus spread. 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 states has not eased. 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.

Happy and Safe Investing!!!

Stay Safe!!!

Snap Shots

<i>Inflation (WPI) (%)</i>	10.49% <i>(April 2021)</i>	7.39% <i>(March 2021)</i>	4.17% <i>(February 2021)</i>	2.03% <i>(January 2021)</i>
<i>Inflation (CPI) (%)</i>	4.29% <i>(April 2021)</i>	5.52% <i>(March 2021)</i>	5.03% <i>(February 2021)</i>	4.06% <i>(January 2021)</i>
<i>India Industrial Production (IIP) (%)</i>	22.4% <i>(March 2021)</i>	-3.4% <i>(February 2021)</i>	-1.6% <i>(January 2021)</i>	1% <i>(December 2020)</i>
<i>Particulars</i>	07.05.21	14.05.21	21.05.21	28.05.21
<i>91-Day Cut-off (%)</i>	3.33	3.37	3.38	3.40
<i>10-yr G-Sec yield (%)</i>	6.22	6.20	6.22	6.26
<i>USD/INR(Rs)</i>	73.74	73.37	73.02	72.48
<i>EUR/INR (Rs)</i>	88.90	88.76	89.31	88.23

Global Indices

Indices	Country	Index as on 31.05.2021	Index as on 30.04.2021	Variation (%) (Inc/Dec)
<i>SENSEX</i>	<i>India</i>	51,937.44	48,782.36	6.47
<i>NIFTY 50</i>	<i>India</i>	15582.80	14,631.10	6.50
<i>S&P 500</i>	<i>United States</i>	4,204.11	4,181.17	0.55
<i>DJIA</i>	<i>United States</i>	34,529.45	33,874.85	1.93
<i>NASDAQ</i>	<i>United States</i>	13,748.74	13,962.68	-1.53
<i>FTSE 100</i>	<i>United Kingdom</i>	7,022.61	6,969.81	0.76
<i>CAC 40</i>	<i>France</i>	6,447.17	6,269.48	2.83
<i>DAX</i>	<i>Germany</i>	15,421.13	15,135.91	1.88
<i>Nikkei 225</i>	<i>Japan</i>	28,860.08	28,812.63	0.16
<i>Straits Times</i>	<i>Singapore</i>	3,164.28	3,218.27	-1.68
<i>Hang Seng</i>	<i>Hong Kong</i>	29,151.80	28,724.88	1.49
<i>Shanghai Composite</i>	<i>China</i>	3,615.48	3,446.86	4.89

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments May 2021	Equity	177,535.46	172,175.54	5,359.92
	Debt	10,917.34	12,253.35	-1,336.01
Mutual Fund May 2021	Equity	74,835.88	74,676.77	159.11
	Debt	158,706.01	155,374.46	3,331.55
FII Derivative Trades (Rs. in Crores) May 2021	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	100,073.38	8,254,349.34	367475.24	321337.77
-Sell	95,183.96	8,218,094.41	382320.00	321452.04

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Kotak Nifty 50 Index Fund	31-May-2021	14-Jun-2021	100	Open Ended

Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
ASIANPAINT	ASIAN PAINTS LTD.	Final Dividend - Rs. - 14.5000	10-Jun-21	11-Jun-21
GHCL	GHCL LTD.	Final Dividend - Rs. - 5.5000	10-Jun-21	-
ITC	ITC LTD.	Final Dividend - Rs. - 5.7500	10-Jun-21	11-Jun-21
NAM-INDIA	Nippon Life India Asset Management Ltd	Final Dividend - Rs. - 5.0000	10-Jun-21	11-Jun-21
SHREDIGCEM	SHREE DIGVIJAY CEMENT CO.LTD.-\$	Dividend - Rs. - 2.5000	10-Jun-21	11-Jun-21
TATACONSUM	Tata Consumer Products Ltd	Final Dividend - Rs. - 4.0500	10-Jun-21	-
VBL	Varun Beverages Ltd	Bonus issue 1:2	10-Jun-21	12-Jun-21
BAJAJCON	Bajaj Consumer Care Ltd	Final Dividend - Rs. - 4.0000	11-Jun-21	-
FOSECOIND	FOSECO INDIA LTD.	Final Dividend - Rs. - 10.0000	11-Jun-21	-

RELIANCE	RELIANCE INDUSTRIES LTD.	Final Dividend - Rs. - 7.0000	11-Jun-21	14-Jun-21
HINDUNILVR	HINDUSTAN UNILEVER LTD.	Final Dividend - Rs. - 17.0000	14-Jun-21	-
INDHOTEL	INDIAN HOTELS CO.LTD.	Final Dividend - Rs. - 0.4000	14-Jun-21	15-Jun-21
TATACHEM	TATA CHEMICALS LTD.	Final Dividend - Rs. - 10.0000	14-Jun-21	-
ICICIPRULI	ICICI Prudential Life Insurance Company Ltd	Final Dividend - Rs. - 2.0000	16-Jun-21	-
LINDEINDIA	Linde India Limited	Final Dividend - Rs. - 3.0000	16-Jun-21	-
SRTRANSFIN	SHRIRAM TRANSPORT FINANCE CO.LTD.	Final Dividend - Rs. - 6.0000	16-Jun-21	-
TATAINVEST	TATA INVESTMENT CORPORATION LTD.	Dividend - Rs. - 24.0000	16-Jun-21	-
HAVELLS	HAVELLS INDIA LTD.	Final Dividend - Rs. - 3.5000	17-Jun-21	-
KANSAINER	KANSAI NEROLAC PAINTS LTD.	Final Dividend - Rs. - 2.0000	17-Jun-21	-
TATACOMM	TATA COMMUNICATIONS LTD.	Final Dividend - Rs. - 14.0000	17-Jun-21	-
TATAELXSI	TATA ELXSI LTD.	Final Dividend - Rs. - 24.0000	17-Jun-21	-
TATAELXSI	TATA ELXSI LTD.	Special Dividend - Rs. - 24.0000	17-Jun-21	-
TATAPOWER	TATA POWER CO.LTD.	Dividend - Rs. - 1.5500	17-Jun-21	-
TATASTEEL	TATA STEEL LTD.	Final Dividend - Rs. - 25.0000	17-Jun-21	-
THYROCCARE	Thyrocare Technologies Ltd	Final Dividend - Rs. - 15.0000	17-Jun-21	-
TORNTPHARM	TORRENT PHARMACEUTICALS LTD.	Final Dividend - Rs. - 15.0000	17-Jun-21	18-Jun-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
Goldbees	42.28	Buy	42	40	46	Medium term
Union Bank	35.60	Buy	35	33	40	Short term
Aurobindo Pharma	959	Buy	950	920	1000	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 07.06.21.

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
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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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