



Indbank Online

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What's New!!!

Economic & Business Updates

Covid-19: India's core sector output shrank 6.5% in March, shows government data: India's core sector output shrank 6.5% in March as the coronavirus took its toll on the economy. The index of eight core industries grew at 0.6% for fy 2019-20 against 4.4% in the previous fiscal year.

Covid-19 impact; India April manufacturing PMI at 27.4 vs 51.8 MoM: April data pointed to an unprecedented contraction in Indian manufacturing Purchasing Managers' Index (PMI) to 27.4. The result came amid national lockdown restrictions to help reduce the spread of the coronavirus disease 2019 (COVID-19), which in turn led to widespread business closures.

Covid-19: Mumbai, Delhi, Bengaluru Among 130 Red Zones Designated by Centre for 'No Activity' After May 3: The Union health ministry has split 733 districts across India into red, orange and green zones, designating all metropolitan cities (Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bengaluru and Ahmedabad) into the 'no activity' zone even after the lockdown ends on May 3. According to the list, there are 130 red zones, where more stringent restrictions will be enforced post May 3. However, there will be partial easing in orange zones and liberal easing in green zones.

Covid-19: Dettol and Lysol owner Reckitt Benckiser sees 'exceptional growth': Reckitt Benckiser the maker of Dettol and Lysol disinfectants said that there is "exceptional demand" for its health and hygiene products during the coronavirus pandemic. This pushed sales in its first quarter to an all-time record high. The firm said that it now expected its full-year financial performance to be better than it had originally guided, even as several of its markets face challenges due to the crisis.

Covid-19 impact: Franklin Templeton India closes 6 debt schemes: Liquidity crunch in debt market claimed its first victim with Franklin Templeton Mutual Fund deciding to close six debt schemes citing lack of liquidity in the debt market and unprecedented redemptions in these 6 yield-oriented debt schemes.

Reserve Bank of India gives Rs 50,000 crore help to MFs to fight Franklin impact: The RBI's liquidity offer is expected to bring some degree of comfort in the debt market which has been under huge redemption pressure, especially in the credit risk fund category which has assets of over Rs 55,000 crore.

ANMI seeks SEBI, Finance Ministry intervention as Franklin closes 6 MF schemes: Terming the shutdown of six debt schemes by Franklin Templeton Mutual Fund (FTMF) as an extreme step that has created panic, an umbrella body of brokers sought markets regulator SEBI and the Ministry of Finance's intervention to protect investor interest.

RIL says Saudi Aramco deal on course despite covid-19 challenges: Reliance Industries said that in spite of the covid-19 crisis and the lockdowns, the due-diligence by Saudi Aramco for the planned investment in the oil to chemicals (O2C) business is on track as both the parties are committed and actively engaged.

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From the President's Desk

Warm greetings to all readers!!!

World is battling coronavirus outbreak on an unprecedented magnitude. Major economies across the globe are facing both human and economic loss. Earlier large numbers of cases were reported from China, the epicenter of virus, but now US and other nations are following suit. Numbers of corona virus (SARS-CoV-2) infection globally have crossed 33 lakhs with major causality reported in US and Europe. In India the number of active cases had crossed 35000. In this challenging time it is very essential that we practice proper hygiene and adhere to social distancing norms prescribed by the authorities to contain further spread of the virus.

Financial markets around the world after witnessing intense selling pressure in the month of March 2020 are seeing some form of respite. Major global indices have seen sharp rebound from the lows witnessed in March 2020. This is a result of key policy decisions taken by policy makers and central banks across the world.

Similar demand slump is visible across commodities especially crude. International crude prices are going through turmoil. The shock of "negative oil prices" has reverberated across the world. The price of West Texas Intermediate (WTI) crude oil for May contract fell as low as (-) \$38 a barrel on April 20th, the last day before expiry. In other words, for some producers in the US, it was cheaper to pay people to take away the oil from Cushing, Oklahoma, the traditional and outdated hub for WTI. On the other hand Gold is witnessing strong upward progression on back of dismal economic data across the globe.

Franklin Templeton's surprise decision to wind-up six of its debt fund schemes sent shockwaves around the markets, which is already reeling under the impact of a corona virus led lockdown. Reserve Bank of India sprung into action by infusing ₹50,000 crore Special Liquidity Facility - Mutual Fund (SLF-MF) scheme. Such swift measure taken by RBI is aimed at building investors' confidence and

trust in mutual funds. In order to avoid such sticky situations in future, SEBI can consider coming out with separate guidelines for retail and institutional investors for investment in debt mutual fund segment. SEBI has to bring in regulations to protect retail investors who have limited information at their disposal. Whenever there is an exodus of funds from a particular mutual fund scheme(s), there should be trigger mechanism setup to warn the retail investors of such happenings in the fund. At present only post mortem analyses are been carried out which serves the interest of none.

Investor looking for diversification in their portfolio can look at accumulating units of various Exchange Traded Funds (ETF) schemes. ETFs as an asset class directly derive value from their underlying asset. Investors can consider various index based ETFs, Gold ETFs etc. for their long term investment needs. Key advantage in ETFs is that they deliver almost similar percentage of return to that of their underlying asset. Investors looking to invest in commodity especially Gold for long term, can look into buying Gold ETF units using their demat account. This enables the investors in avoiding cumbersome process of opening and operating a commodity trading account.

Investors are well aware that current fall is a unique, once in a lifetime opportunity to invest into high quality beaten down companies in a slow and staggered manner. Investors who invest in equities must keep in mind the volatility factor going ahead. Effective asset allocation into multiple assets such as gold, gilts etc. along with substantial allocation to equity should be the way forward.

Happy and Safe Investing!!!

Stay Home, Stay Safe!!!

Let us fight this battle together!!!

Snap Shots

<i>Inflation (WPI) (%)</i>	0.90% (March 2020)	2.26% (February 2020)	3.1% (January 2020)	2.59 % (December 2019)
<i>Inflation (CPI) (%)</i>	5.91% (March 2020)	6.58% (February 2020)	7.59% (January 2020)	7.35% (December 2019)
<i>India Industrial Production (IIP) (%)</i>	4.5% (February 2020)	2% (January 2020)	-0.3% (December 2019)	1.8% (November 2019)
<i>Particulars</i>	24.04.2020	17.04.2020	10.04.2020	03.04.2020
<i>91-Day Cut-off (%)</i>	3.73	4.15	4.30	4.36
<i>10-yr G-Sec yield (%)</i>	6.16	6.34	6.49	6.30
<i>USD/INR(Rs)</i>	76.27	76.55	75.87	76.24
<i>EUR/INR (Rs)</i>	82.53	83.24	82.98	82.40

Global Indices

Indices	Country	Index as on 30.04.2020	Index as on 31.03.2020	Variation (%) (Inc/ Dec)
<i>SENSEX</i>	<i>India</i>	33,717.62	29,468.49	14.42
<i>NIFTY 50</i>	<i>India</i>	9,859.90	8597.75	14.68
<i>NASDAQ</i>	<i>United States</i>	8,889.55	7,700.10	15.45
<i>DJIA</i>	<i>United States</i>	24,345.72	21,917.16	11.08
<i>S&P 500</i>	<i>United States</i>	2,912.43	2,584.59	12.68
<i>Hang Seng</i>	<i>Hong Kong</i>	24,643.59	23,603.48	4.41
<i>Nikkei 225</i>	<i>Japan</i>	20,193.69	18,917.01	6.75
<i>Shanghai Composite</i>	<i>China</i>	2,860.08	2,750.30	3.99
<i>Straits Times</i>	<i>Singapore</i>	2,624.23	2468.15	6.32
<i>FTSE 100</i>	<i>United Kingdom</i>	5,901.21	5663.82	4.19
<i>CAC 40</i>	<i>France</i>	4,572.18	4,396.12	4.00
<i>DAX</i>	<i>Germany</i>	10,861.64	9,935.84	9.32

Sector-wise performance (April 2020)

Sector	Market-Cap (Rs)	Change	Advance	Decline
Agri	87,690	-26.09%	2	57
Alcohol	69,317	-19.43%	0	10
Automobile & Ancillaries	7,15,819	-48.35%	2	110
Aviation	38,596	-30.50%	0	3
Banks	16,46,266	-41.25%	2	30
Capital Goods	2,23,118	-43.63%	5	77
Chemicals	5,76,306	6.73%	16	82
Construction Materials	3,05,459	-28.08%	3	51
Consumer Durables	1,23,005	-7.37%	3	23
Containers & Packaging	5,058	-45.86%	0	11
Diamond & Jewellery	1,09,111	-13.11%	3	9
Diversified	1,32,648	-44.88%	4	17
Electricals	12,618	-66.91%	0	23
ETF	15,935	-30.58%	15	31
Finance	8,83,830	-28.37%	7	103
FMCG	13,69,536	15.00%	11	28
Footwear	34,177	70.37%	2	3
Healthcare	8,34,036	8.03%	26	68
Hospitality	22,002	-64.75%	0	25
Industrial Gases & Fuels	1,04,492	-16.51%	3	3
Infrastructure	2,25,458	-44.55%	0	56
Insurance	3,35,957	-8.03%	4	2
Logistics	53,930	-50.33%	1	27
Manufacturing	11,446	-37.24%	0	6
Media & Entertainment	50,373	-66.72%	0	37
Metals & Mining	4,20,197	-55.20%	2	95
Miscellaneous	73,264	-38.11%	2	38
Oil & Gas	12,77,881	-3.68%	1	13

Paper	6,445	-64.48%	0	21
Photographic Products	13	-81.88%	0	1
Plastic Products	44,747	-31.08%	2	25
Power	3,07,318	-34.04%	2	29
Real Estate	1,15,785	-51.05%	1	53
Retailing	1,95,100	26.80%	3	10
Ship Building	3,259	-53.92%	0	1
Software & IT Services	15,07,504	9.30%	10	75
Telecom	3,58,696	-33.34%	3	20
Textiles	65,681	-55.78%	3	98
Trading	29,295	-45.39%	0	17

Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments April 2020	Equity	99,477.63	102,574.26	-3,096.63
	Debt	12,391.74	18,633.45	-6,241.71
Mutual Fund April 2020	Equity	45,864.69	52,605.97	-6,741.28
	Debt	101,578.32	96,845.62	4,732.70
FII Derivative Trades (Rs. in Crores) April 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	119,331.88	2,993,622.52	311710.91	39104.63
-Sell	115,222.62	3,087,796.25	309824.91	39156.22

New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
ICICI Prudential Fixed Maturity Plan - Series 87 - 1115 Days Plan K	30-Apr-20	04-May-20	5000	Close ended
SBI Fixed Maturity Plan (FMP) - Series 34 (3682 Days)	23-Apr-20	04-May-20	5000	Close ended

Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
CRISIL	CRISIL Limited	Interim Dividend - Rs 6 Per Share	04-May-20	05-May-20
RAIN	Rain Industries Limited	Annual General Meeting	05-May-20	-
INFRATEL	Bharti Infratel Limited	Interim Dividend - Rs 4.10 Per Share	05-May-20	06-May-20
PFIZER	Pfizer Limited	Special Dividend - Rs 320 Per Share	06-May-20	08-May-20
DICIND	DIC India Limited	Annual General Meeting/Dividend - Rs 4.50 Per Share	10-Jun-20	-

Stock picks (Techno – Funda)

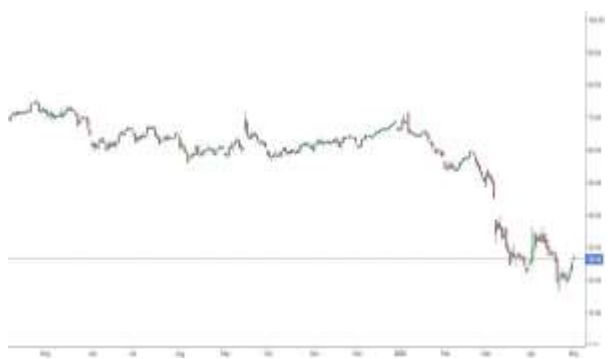
Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Hindustan Unilever	2085	Buy	2080	2020	2300-2330	Short term
Aurobindo pharma	610	Buy	580-600	535	680-700	Short term
Cyient Ltd	228	Buy	228	208	265	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 04.05.20.

Crude and Rupee check

Crude opened at \$26 in April. Crude price in the month of April witnessed significant price volatility and selling pressure on back of covid-19 and lower demand thereof. After hitting low of almost \$15 crude closed the month of at \$25.27. Rupee depreciated to historical low levels of Rs77.01 in the month of April 2020 and closed at Rs75.08 on 30th April, 2020.

Brent crude price movement:



USD-INR price movement:



ETF Corner

Scheme for the Month : ICICI Prudential Gold Exchange Traded
Fund Level of Risk : Moderately High

Objective

The scheme seeks to provide investment returns that, before expenses, closely track the performance of domestic prices of Gold derived from the London Bullion Market Association (LBMA) fixing prices.

Trailing Returns

Trailing Returns (%)	Fund	Commodities: Gold
YTD	18.28	20.41
1-M	6.46	8.01
3-M	13.71	15.77
1-Y	45.6	47.46
3-Y	15.47	16
5-Y	10.03	10.31

ETF Details

Last Traded Price NSE: ICICIGOLD	43.16 (as on 30.04.2020)
Last Traded Price BSE: 533244	43.20 (as on 30.04.2020)
Fund House	ICICI Prudential Mutual Fund
Launch Date	24-Aug-10
Return Since Launch	8.59%
Benchmark	LBMA Fixing Prices TRI
Type	Open-ended
Assets Under Management	₹ 1,209 Cr (As on 31-Mar-2020)
Expense	0.98% (As on 31-Mar-2020)
Underlying asset	Gold

Knowledge corner!!!

Long-Term Repo Operations (LTROs) and its key benefits:

Reserve Bank of India (RBI) has recently announced a new liquidity facility under Long Term Repo Operations (LTRO) to inject liquidity in the banking system. The new policy tool comes in the context of the RBI's limitations in cutting its policy rate as well as its desire to enhance liquidity of the banking system and promote lending activities of banks.

What is LTRO?

The LTRO is a tool under which the central bank provides one-year to three-year money to banks at the prevailing repo rate, accepting government securities with matching or higher tenure as the collateral. While the RBI's current windows of liquidity adjustment facility (LAF) and marginal standing facility (MSF) offer banks money for their immediate needs ranging from 1-28 days, the LTRO supplies them with liquidity for their 1- to 3-year needs. LTRO operations are intended to prevent short-term interest rates in the market from drifting a long way away from the policy rate, which is the repo rate.

Importance of introducing LTRO:

- Increase liquidity in event of non-accommodative stance of MPC.
- Availability of durable liquidity.
- Lower cost of funds for banks.
- Ensure Monetary Transmission.
- Manage bond yields.
- Increased flow of credit to productive sectors.
- Improve growth.
- Will act against inflationary pressures.

What is TLTRO introduced by RBI?

The targeted longer-term refinancing operations (TLTRO) are operations that provide financing to credit institutions. By offering banks long-term funding at attractive conditions they preserve favourable borrowing conditions for banks and stimulate bank lending to the real economy. The TLTROs, therefore, reinforce the RBI's current accommodative monetary policy stance and strengthen the transmission of monetary policy by further incentivising bank lending to the real economy.

Recent TLTRO 2.0 by RBI:

Under the Targeted Long Term Repo Operation (TLTRO) 2.0, the RBI proposed to make available liquidity worth ₹50,000 crore for NBFCs and micro finance institutions. This will allow banks to access 3-year funding from RBI to invest in investment grade corporate papers of small and mid-sized NBFCs and MFIs.

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