



# Indbank Online

March 2022 | Issue – 150

## What's New!!!

### Economic & Business Updates

**India's GDP expected to grow at 8.9% in 2021-22:** India's gross domestic product (GDP) is estimated to grow at 8.9% in 2021-22. Year-on-year growth in the October to December 2021 period slipped to 5.4% from 8.5% in the previous quarter, as per the second advance national income estimates.

**BJP Scores in UP Again, AAP in Punjab:** Arvind Kejriwal's Aam Aadmi Party (AAP) sweeps Punjab and Uttar Pradesh and other 3 states that went in for elections, stays firmly with the BJP. These state elections are seen to be the semi-final ahead of the 2024 national election.

**Ukraine crisis; Russian oil companies offer big discounts to India:** As stringent sanctions imposed by the European Union and US are crippling business and trade, desperate Russian oil companies are offering huge discounts to India, provided a payment mechanism to bypass the SWIFT ban is quickly approved by the government.

**Indian rupee hits lifetime low as global crude oil prices soar:** The Indian rupee hit a lifetime low in opening deals on Monday (07.03.2022) as a sharp surge in global crude oil prices threatened to push up imported inflation and widen the country's trade and current account deficits.

**Oil spikes to 2008 highs as U.S., Europe mull Russian oil import ban, Iran delay:** Oil prices soared touching their highest since 2008 after the United States and European allies mull a Russian oil import ban while delays in the potential return of Iranian crude to global markets fuelled tight supply fears.

**NSE's Ex-MD Chitra Ramkrishna arrested from Delhi in co-location case:** CBI arrested former CEO of National Stock Exchange Chitra Ramkrishna in co-location scam case. Ramkrishna was arrested under a case filed in May 2018 for alleged abuse of NSE's server architecture. Server allegedly misused to give preferential access of market data to brokers.

**Vodafone Idea, Airtel might get Rs 23000 crore bank guarantee from DoT:** Bharti Airtel and Vodafone Idea (Vi), the private telecom operators in India, might get up to Rs 23,000 crore in total from the Department of Telecommunications (DoT) as bank guarantees (BGs) worth almost ₹23,000 crore kept in connection with their outstanding adjusted gross revenue (AGR) dues.

**Our Centralised Dealing Room Contact Nos: 044 - 42021368, 24313087, 24321232.**

## **President Desk**

### **Warm greetings to all readers!!!**

I am elated in addressing our esteemed customers and readers through our in-house newsletter after taking over as President and Whole time Director of Indbank Merchant Banking Services Ltd.

S&P BSE SENSEX fell by -3.05% in the month of February 2022. It has outperformed developed market indices like S&P 500 (-3.15%) and Dow Jones Industrial Average Index (-3.53%). S&P BSE SENSEX has also outperformed MSCI Emerging Market Index (-3.0%).

The broader market has underperformed the S&P BSE Sensex marginally, this month. While S&P BSE Midcap Index has declined by -4.8% the S&P BSE Small cap Index was down -8.6%. Metals & Consumer Durables were the only sectors that stood out giving positive returns in an otherwise declining market.

Feb-22 has seen a sharp surge in FPI outflows of US\$ 4.6 bn (highest since March 2020). With this month's outflows, FII's have sold close to US\$ 9.5 bn in the past four months. High global inflation risk along with increased geopolitical risk (Ukraine-Russia Conflict) is resulting in global risk off-trade. DIIs have been net buyers for the month of February 2022 to the tune of US\$ 4 bn and have absorbed a lot of selling pressure from the FPIs.

The Russia-Ukraine conflict has further exposed the vulnerabilities of the global supply chain which was still struggling to recover from the blows of the Covid-19 pandemic. The global trade is still woefully short of shipping containers & semiconductor chips among other things. Commodity prices too have been on an uptrend after bottoming out in March 2020 and have got a further leg-up this year (especially the energy commodities) due to the Russia-Ukraine conflict & sanctions on Russia.

There is a risk of this spilling over to global food prices as well in near term. This relentless increase in commodity prices is feeding into global inflation & is a risk for global economic up cycle. Given the circumstances that we are in currently and going by the past instances, during such times, quality companies with valuation comfort tends to perform better.

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

**With warm regards,  
Mr. V. Hari babu**

### Snap Shots

<i>Inflation (WPI) (%)</i>	12.96% <i>(January 2022)</i>	13.56% <i>(December 2021)</i>	14.23% <i>(November 2021)</i>	12.54% <i>(October 2021)</i>
<i>Inflation (CPI) (%)</i>	6.01% <i>(January 2022)</i>	5.59% <i>(December 2021)</i>	4.91% <i>(November 2021)</i>	4.48% <i>(October 2021)</i>
<i>India Industrial Production (IIP) (%)</i>	0.4% <i>(December 2021)</i>	1.4% <i>(November 2021)</i>	3.2% <i>(October 2021)</i>	3.1% <i>(September 2021)</i>
<i>Particulars</i>	<i>Feb. 4</i>	<i>Feb. 11</i>	<i>Feb. 18</i>	<i>Feb. 25</i>
<i>91-Day Cut-off (%)</i>	3.88	3.89	3.68	3.70
<i>10-yr G-Sec yield (%)</i>	6.88	6.70	6.66	6.76
<i>USD/INR(Rs)</i>	74.72	75.35	74.92	75.28
<i>EUR/INR (Rs)</i>	85.61	85.74	85.16	84.38

### Global Indices

<b>Indices</b>	<b>Country</b>	<b>Indices as on Feb 28, 2022</b>	<b>Indices as on Jan 31, 2022</b>	<b>Variation (%) (Inc/ Dec)</b>
<i>SENSEX</i>	<i>India</i>	56247	58014	-3.05
<i>NIFTY 50</i>	<i>India</i>	16793	17339	-3.15
<i>S&amp;P 500</i>	<i>United States</i>	4373	4515	-3.15
<i>DJIA</i>	<i>United States</i>	33892	35131	-3.53
<i>NASDAQ</i>	<i>United States</i>	13751	14239	-3.43
<i>FTSE 100</i>	<i>United Kingdom</i>	7458	7467	-0.12
<i>CAC 40</i>	<i>France</i>	6658	6999	-4.87
<i>DAX</i>	<i>Germany</i>	14461	15471	-6.53
<i>Nikkei 225</i>	<i>Japan</i>	26526	27001	-1.76
<i>Straits Times</i>	<i>Singapore</i>	3242	3249	-0.22
<i>Hang Seng</i>	<i>Hong Kong</i>	22713	23802	-4.58
<i>Shanghai Composite</i>	<i>China</i>	3462	3361	3.01

### Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments February 2022	Equity	138,646.95	172,485.31	-33,838.36
	Debt	15,086.74	17,306.16	-2,219.42
Mutual Fund February 2022	Equity	107,066.66	80,788.32	26,278.34
	Debt	101,547.24	97,408.37	4,138.87
FII Derivative Trades (Rs. in Crores) February 2022	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	128,159.66	17,350,632.91	440370.33	299493.76
-Sell	122,657.22	17,296,962.46	418179.63	300612.47

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Axis Nifty Midcap 50 Index Fund	10-Mar-2022	21-Mar-2022	5,000	Open Ended
Tata Nifty India Digital Exchange Traded Fund	14-Mar-2022	25-Mar-2022	5,000	Open Ended

### Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
BCG	Brightcom Group Ltd	Bonus issue 2:3	15-Mar-22	16-Mar-22
RAJGLOWIR	RAJRATAN GLOBAL WIRE LTD.	Stock Split From Rs.10/- to Rs.2/-	15-Mar-22	16-Mar-22
TVSELECT	TVS ELECTRONICS LTD.	Interim Dividend - Rs. - 2.0000	15-Mar-22	16-Mar-22
DRCSYSTEMS	DRC Systems India Ltd	Stock Split From Rs.10/- to Rs.1/-	16-Mar-22	17-Mar-22
JINDALSTEL	JINDAL STEEL & POWER LTD.	Interim Dividend - Rs. - 1.0000	16-Mar-22	19-Mar-22
METROBRAND	Metro Brands Ltd	Interim Dividend - Rs. - 1.5000	16-Mar-22	19-Mar-22
SHRIRAMCIT	SHRIRAM CITY UNION FINANCE LTD.	Interim Dividend - Rs. - 27.0000	16-Mar-22	17-Mar-22
SUNTV	SUN TV NETWORK LTD.	Interim Dividend - Rs. - 5.0000	17-Mar-22	21-Mar-22
GAIL	GAIL (INDIA) LTD.	Interim Dividend - Rs. - 5.0000	21-Mar-22	22-Mar-22
VIRINCHI	Virinchi Ltd	Bonus issue 1:1	21-Mar-22	22-Mar-22
BCLIL	BCL Industries Ltd-\$	Interim Dividend - Rs. - 2.0000	22-Mar-22	23-Mar-22
MOLDTEK	MOLD-TEK TECHNOLOGIES LTD.	Interim Dividend	23-Mar-22	24-Mar-22
ALLCARGO	ALLCARGO LOGISTICS LTD.	Interim Dividend	24-Mar-22	25-Mar-22
BEL	BHARAT ELECTRONICS LTD.	Interim Dividend	24-Mar-22	26-Mar-22
DJML	DJ Mediaprint & Logistics Ltd	Bonus issue 1:1	24-Mar-22	25-Mar-22
NDL	Nandan Denim Limited	Bonus issue 2:1	24-Mar-22	25-Mar-22
TVSMOTOR	TVS MOTOR COMPANY LTD.	Interim Dividend	25-Mar-22	28-Mar-22
SUNCLAYLTD	SUNDARAM-CLAYTON LTD.	Interim Dividend	29-Mar-22	30-Mar-22
AMBUJACEM	AMBUJA CEMENTS LTD.	Final Dividend - Rs. - 6.3000	30-Mar-22	01-Apr-22
CRISIL	CRISIL LTD.	Final Dividend - Rs. - 15.0000, Spl Div -Rs 7	30-Mar-22	-

## Stock picks

Company Name / Symbol	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Motherson Sumi	128	Buy	128	100	155	Medium term
Ambuja Cement	291	Buy	285-290	265	325	Short term
Thyrocare technologies	800	Buy	775-800	720	850	Short term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 14.03.22.

## Crude and Rupee check

Brent crude opened at \$ 89.60 in the month of February 2022. Crude witnessed buying momentum on back of higher demand. Crude for the month closed at \$ 100.99. Rupee closed at Rs 75.49 for the month of February 2022.

### Brent crude price movement:



### USD-INR price movement:



## **Mutual Fund Corner**

Scheme for the Month : Axis Triple Advantage Fund

Level of Risk : High

### **Objective**

The fund seeks to generate regular income through investments in diversified portfolio of equity and equity related instruments, fixed income securities and gold exchange traded funds.

### **Trailing Returns**

Trailing Returns (%)	Fund	VR Balanced TRI	Hybrid: Multi Asset Allocation
YTD	-5.73	-3.49	-1.69
1-M	-2.73	-3.67	-1.81
6-M	-3.43	-3.28	0.35
1-Y	12.20	9.89	13.48
5-Y	12.46	13.26	9.05
Return Since Launch	9.77%		

### **Fund Details**

NAV as on 11.03.2022	Rs 29.36
Fund House	Axis Mutual Fund
Launch Date	23-Aug-2010
Benchmark	NIFTY 50 TRI (65), NIFTY Composite Debt Index (20), Domestic Price of Gold (15)
Type	Open-ended
Assets Under Management	Rs 1,663 Cr (As on 28-Feb-2022)

## Knowledge corner!!!

### Asset Allocation and its Advantages

**Asset allocation:** is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon. The three main asset classes - equities, fixed-income, and cash and equivalents - have different levels of risk and return, so each will behave differently over time.

**Why Asset Allocation Is Important:** there is no simple formula that can find the right asset allocation for every individual. However, the consensus among most financial professionals is that asset allocation is one of the most important decisions that investors make. In other words, the selection of individual securities is secondary to the way that assets are allocated in stocks, bonds, and cash and equivalents, which will be the principal determinants of your investment results.

**Advantages of Asset Allocation / diversification:** The practice of spreading money among different investments to reduce risk is known as diversification. By picking the right group of investments, you may be able to limit your losses and reduce the fluctuations of investment returns without sacrificing too much potential gain. In addition, asset allocation is important because it has a major impact on whether you will meet your financial goal. If you don't include enough risk in your portfolio, your investments may not earn a large enough return to meet your goal. On the other hand, if you include too much risk in your portfolio, the money for your goal may not be there when you need it. A portfolio heavily weighted in stock or stock mutual funds, for instance, would be inappropriate for a short-term goal.

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