



Indbank Online

August 2022 | Issue - 153

Economic & Business Updates

RBI MPC Meet: Repo Rate Hiked By 50 bps to 5.40%; Third Hike In Financial Year 2022-23: With the inflation gripping the country, the RBI increased the repo rate by 50 points to 5.4 percent. Retains GDP target for FY23 at 7.2% and Inflation target at 6.7%.

IMF sharply lowers India's FY23 growth forecast to 7.4%: The International Monetary Fund (IMF) slashed India's economic growth forecast to 7.4% from 8.2% it estimated in April, citing the economy's vulnerability to external shocks and rapid monetary policy tightening. India's growth forecast for the next fiscal by 0.8 percentage points to 6.1% amid growing economic risks.

In FY22, India received the highest annual FDI inflows of \$84.835 billion, which exceeded the previous fiscal year by \$2.87 billion: As per the Commerce Ministry, Computer Software & Hardware sector bagged the highest FDI inflow in FY22, followed by the Service sector and the automobile industry.

HDFC Bank to be among global top 10 after merger: HDFC Bank has a market capitalisation of about \$108 billion. The combined market cap of HDFC Bank and HDFC (\$52 billion) would be around \$160 billion, whereby it would surpass Morgan Stanley (\$142 billion) & Agricultural Bank of China (\$145 billion).

World may soon be on edge of recession, says IMF's top economist Pierre-Olivier Gourinchas: The risks to the global growth outlook are "overwhelmingly tilted to the downside" and the world could soon be on the brink of a recession, the International Monetary Fund's (IMF) top economist, Pierre-Olivier Gourinchas, has warned.

Singapore leads in FDI inflows in India in FY22; Karnataka bags highest investments: Singapore, the USA, Mauritius, Netherland, and Switzerland have emerged as the top five countries for FDI equity inflows into India in FY22, the Ministry of Commerce & Industry said. As per the data shared by the Ministry, Singapore has emerged as the top sourcing nation with a contribution of 27.01 per cent, followed by the USA at 17.94 per cent. Mauritius, The Netherlands and Switzerland follow the top two nations with contributions standing at 15.98 per cent, 7.86 per cent and 7.31 per cent, respectively.

President's Desk



Warm greetings to all readers!!!

Indian stock market recorded a healthy revival supported by renewed buying seen in financial space along with the easing of FPI's sell-off. For the first time since September 2021, the FPI's turned net buyers with Rs 6,719.75 cr in July 2022. S&P BSE Sensex & NSE NIFTY 50 ended previous month with a rise of 8.6% & 8.7% respectively. Nifty Midcap 100 index was up by 9.9% & Nifty Small cap 100 saw a rise of 6.4%. Whereas, MSCI India has seen a rise of 7.95%.

Going by RBI governor's recent policy announcement and the press meet thereafter, it is clearly evident that our central bank as other global central banks, is focused on bringing inflation under control. Monetary Policy Committee (MPC) delivered a fairly hawkish policy, by hiking the repo rate by 50 basis points and continuing to withdraw accommodative liquidity conditions. Despite the recent moderation in select commodity prices, the RBI has retained its inflation forecast for FY23 at 6.7 per cent, assuming that the average price of the Indian crude oil basket would remain elevated at \$105 a barrel. The RBI expects CPI inflation to decline from 7.1 per cent in Q2 FY23 to 5 per cent by Q1 FY24, but has indicated that it wouldn't be satisfied with inflation falling below 6 per cent and would be looking to bring it down to 4 per cent — the mid-point of its target range.

The past week saw a dramatic scale up in geopolitical tensions in the Taiwan Strait- after US House Speaker Nancy Pelosi went ahead with the visit of the congressional delegation to Taipei- to meet the leadership and many civil society representatives in the island. The visit went ahead despite several warnings from China that this would destabilize the region. Ongoing tension at a point when equity markets are witnessing renewed buying interest can act as a sentiment dampener. With the above few words I am signing off this edition of our in-house newsletter.

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

With warm regards,

Mr. V. Hari babu

President & Whole-Time Director

Snap Shots

<i>Inflation (WPI) (%)</i>	15.18% <i>(June 2022)</i>	15.88% <i>(May 2022)</i>	15.38% <i>(April 2022)</i>	8.71% <i>(March 2022)</i>
<i>Inflation (CPI) (%)</i>	7.01% <i>(June 2022)</i>	8.6% <i>(May 2022)</i>	7.79% <i>(April 2022)</i>	6.59% <i>(March 2022)</i>
<i>India Industrial Production (IIP) (%)</i>	19.6% <i>(May 2022)</i>	7.1% <i>(April 2022)</i>	1.9% <i>(March 2022)</i>	1.7% <i>(February 2022)</i>
<i>Particulars</i>	08.07.2022	15.07.2022	22.07.2022	29.07.2022
<i>91-Day Cut-off (%)</i>	5.14	5.24	5.40	5.62
<i>10-yr G-Sec yield (%)</i>	7.42	7.43	7.42	7.32
<i>USD/INR(Rs)</i>	79.25	79.88	79.91	79.42
<i>EUR/INR (Rs)</i>	79.25	80.01	81.46	81.17

Institutional Investments

<i>Category</i>	<i>Debt/Equity</i>	<i>Gross Purchases (Rs Crores)</i>	<i>Gross Sales (Rs Crores)</i>	<i>Net Investment (Rs Crores)</i>
<i>FII Investments July 2022</i>	<i>Equity</i>	154,773.50	148,053.75	6,719.75
	<i>Debt</i>	12,626.57	14,944.42	-2,317.85
<i>Mutual Fund July 2022</i>	<i>Equity</i>	59,670.01	55,962.82	3,707.19
	<i>Debt</i>	77,945.23	70,824.65	7,120.58
<i>FII Derivative Trades (Rs. in Crores) July 2022</i>	<i>INDEX FUTURES</i>	<i>INDEX OPTIONS</i>	<i>STOCK FUTURES</i>	<i>STOCK OPTIONS</i>
<i>-Buy</i>	78,111.27	18,239,967.06	351858.66	171937.01
<i>-Sell</i>	67,939.56	18,213,886.86	348765.46	171533.17

Forthcoming Corporate Action

Symbol	Company	Purpose	Ex-Date	Record Date
577GS2030	Government of India	Interest Payment	29-Jul-22	01-Aug-22
BHARTIA RTL	Bharti Airtel Limited	Dividend - Rs 3 Per Share	01-Aug-22	02-Aug-22
IIFLWAM	Iifl Wealth Management Limited	Interim Dividend - Rs 15 Per Share	01-Aug-22	02-Aug-22
SUDARSC HEM	Sudarshan Chemical Industries Limited	Dividend - Rs 5 Per Share	01-Aug-22	02-Aug-22
GAIL	GAIL (India) Limited	Dividend - Rs 1 Per Share	01-Aug-22	02-Aug-22
SIGACHI	Sigachi Industries Limited	Dividend - Re 1 Per Sh	02-Aug-22	03-Aug-22
RAMCOC EM	The Ramco Cements Limited	Annual General Meeting/Dividend - Rs 3 Per Share	02-Aug-22	03-Aug-22
KIRLOSB ROS	Kirloskar Brothers Limited	Dividend - Rs 3 Per Share	02-Aug-22	03-Aug-22
CUMMINS IND	Cummins India Limited	Annual General Meeting/Dividend - Rs 10.5 Per Sh	02-Aug-22	03-Aug-22
CENTUM	Centum Electronics Limited	Dividend - Rs 2.50 Per Share	02-Aug-22	03-Aug-22
DLF	DLF Limited	Dividend - Rs 3 Per Share	02-Aug-22	03-Aug-22
ANANDRA THI	Anand Rathi Wealth Limited	Dividend - Rs 6 Per Share	02-Aug-22	03-Aug-22
RAMCOIN D	Ramco Industries Limited	Annual General Meeting/Dividend - Rs 1 Per Share	02-Aug-22	03-Aug-22
ANURAS	Anupam Rasayan India Limited	Interim Dividend - Rs 0.40 Per Share	03-Aug-22	04-Aug-22
SYMPHON Y	Symphony Limited	Interim Dividend - Rs 2 Per Share	04-Aug-22	05-Aug-22
CRISIL	CRISIL Limited	Interim Dividend - Rs 8 Per Share	04-Aug-22	05-Aug-22
ANDHRAP AP	ANDHRA PAPER LIMITED	Annual General Meeting/Dividend - Rs 7.50 Per Share	04-Aug-22	05-Aug-22
BITES	RITES Limited	Interim Dividend	04-Aug-22	05-Aug-22
MATRIMO NY	Matrimony.Com Limited	Dividend - Rs 5 Per Share	04-Aug-22	05-Aug-22
75GS2034	GOVERNMENT OF INDIA	Interest Payment	05-Aug-22	08-Aug-22
ICICIBAN K	ICICI Bank Limited	Dividend - Rs 5 Per Share	08-Aug-22	10-Aug-22
CASTROLI ND	Castrol India Limited	Interim Dividend	08-Aug-22	10-Aug-22
ALKEM	Alkem Laboratories Limited	Dividend - Rs 4 Per Share	08-Aug-22	10-Aug-22
SIL	Standard Industries Limited	Dividend - Rs 0.75 Per Share	10-Aug-22	11-Aug-22
IOC	Indian Oil Corporation Limited	Dividend - Rs 2.40 Per Share	11-Aug-22	12-Aug-22
AJMERA	Ajmera Realty & Infra India Limited	Dividend - Rs 2.25 Per Share	11-Aug-22	12-Aug-22
IEX	Indian Energy Exchange Limited	Dividend - Re 1 Per Share	11-Aug-22	12-Aug-22
828GS2032	GOVERNMENT OF INDIA	Interest Payment	11-Aug-22	12-Aug-22
824GS2027	GOVERNMENT OF INDIA	Interest Payment	11-Aug-22	12-Aug-22
RECLTD	REC Limited	Bonus 1:3	17-Aug-22	18-Aug-22

EVEREST IND	Everest Industries Limited	Annual Meeting/Dividend - Rs 6 Per Share	General	17-Aug-22	18-Aug-22
676GS206 1	Government of India	Interest Payment		18-Aug-22	20-Aug-22
NH	Narayana Hrudayalaya Ltd.	Dividend - Rs 1 Per Share		22-Aug-22	23-Aug-22
795GS203 2	GOVERNMENT OF INDIA	Interest Payment		24-Aug-22	25-Aug-22
68GS2060	Government of India	Interest Payment		25-Aug-22	26-Aug-22
LICI	Life Insurance Corporation Of India	Dividend - Rs 1.50 Per Share		25-Aug-22	26-Aug-22
SALZERE LEC	Salzer Electronics Limited	Annual Meeting/Dividend - Rs 1.80 Per Share	General	25-Aug-22	26-Aug-22

Global Indices

Indices	Country	30-Jun-22	29-Jul-22	Variation (%) (Inc/Dec)
SENSEX	India	53,018.94	57,570.25	8.6%
NIFTY 50	India	15,780.25	17,158.25	8.7%
S&P 500	United States	3,785.38	4130.96	9.1%
DJIA	United States	30,775.43	32,845.13	6.7%
NASDAQ	United States	11,028.74	12,390.69	12.3%
FTSE 100	United Kingdom	7,169.28	7,423.43	3.5%
CAC 40	France	5,922.86	6,448.50	8.9%
DAX	Germany	12,783.77	13,484.05	5.5%
Nikkei 225	Japan	25,935.62	27,801.64	7.2%
Straits Times	Singapore	3,102.21	3211.56	3.5%

Stock picks

Company Name / Symbol	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
VEDL	253	Buy	250-255	225	310	Medium term
Nam-India	299	Buy	300-305	280	340	Medium term
Axisbank	728	Buy	730-735	705	780	Short term

* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 05.08.22.

Crude oil & Rupee check

Brent crude opened at \$111.63 for the month of July 2022. It went through some consolidation but fell by 6.86% to \$103.97 by the end of the month. Rupee closed at Rs79.36 for the month of July 2022.

USD-INR



Brent crude



Mutual Fund Corner

Scheme for the Month : Tata Balanced Advantage Fund

Level of Risk : Moderately High

Objective

The fund seeks capital appreciation opportunities and income distribution through investments in a mix of Equity, Arbitrage and Debt portfolios. The Scheme will endeavour to capture the market trend and have an efficient mix of Debt and Equity.

Trailing Returns

Trailing Returns (%)	SBI Equity Hybrid Fund	VR Balanced TRI	Hybrid: Dynamic Asset Allocation
YTD	5.78	1.11	1.56
1-M	4.86	8.76	5.73
6-M	1.39	0.35	1.25
1-Y	11.88	7.59	5.77
Return Since Launch	11.86%		

Fund Details

NAV as on 04.08.2022	Rs 15.7686
Fund House	Tata Mutual Fund
Launch Date	28-Jan-2019
Benchmark	CRISIL Hybrid 50+50 Moderate Index
Type	Open-ended
Assets Under Management	Rs 5,100 Cr (As on 30-Jun-2022)

Knowledge corner!!!**Understanding Share Buybacks:**

A share buyback is when a corporation purchases its own shares in the stock market.

When are share buybacks good?

Share buybacks are good when the company's management perceives that their shares may have been undervalued.

When the share numbers come down owing to a buyback, the EPS goes up. Because the company shells out cash to buy back the stock, the cash shown in the books comes down and boosts the return on equity or RoE. So in such a scenario a buyback is good for the investors.

When are buybacks not good?

Buybacks may not be good when there is overvaluation of shares. If a company buys back shares for more than they are worth, it signals that the decision making is on shaky ground and the investment is not a good one.

Also, when buybacks are carried out by raising funds/borrowing, there is a risk involved. This is because the debt would have to be paid back at a certain juncture and there is always the risk of the company getting into financial trouble because of what it owes.

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