



# Indbank Online

November 2022 | Issue – 156

## Economic & Business Updates

**RBI launched CBDC Digital Rupee on pilot basis from November 1:** The Reserve Bank of India (RBI) commenced the pilot programme of Digital Rupee in the wholesale segment on November 1, 2022. The regulator has identified nine banks including State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, YES Bank, IDFC First Bank and HSBC for the participation in the pilot.

**SBI beats Reliance Industries to become most profitable company in Q2:** State Bank of India has become India's most profitable corporate with Rs14,752 crore of consolidated net income in the second quarter of FY23, beating Reliance Industries having net earnings of Rs13,656 crore.

**Reliance India's best employer; in top 20 worldwide, Forbes:** Reliance Industries, the country's largest company by revenues and market value, is India's best employer and the world's 20th best firm to work with, according to Forbes' World's Best Employers rankings 2022.

**There's a great bull market right around the corner in 2023, even as investors hoard cash at the highest rate since the pandemic began, says BofA:** A great new bull market is set to form in stocks in 2023, just not where most investors expect, Bank of America said in a note. "Secular trends of stagflation, reshoring, localization, fiscal stimulus = small cap bull in 2023," Bank of America's Michael Hartnett said.

**'No Indication Of Recession In India, Else Markets Would Have Reacted' says Zerodha's Nitin Kamath:** There is no indication that there will be recession in India. If there were – stock markets would have reacted. He further said that he is rationally optimistic because stock markets tend to do a good job of factoring in the future. If you see a price on a stock, it's factoring in next three to four years of future. So, the stock market says that there isn't going to be a recession in the next two to three years.

## **President's Desk**



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

I am pleased to address you all through this in-house newsletter at a time when our markets are showing good strength and bullishness. Benchmark index Nifty and Sensex have gained more than 5% since September month end. Indices are witnessing a steady up move with foreign investors finding renewed flavour in our domestic growth story. It is heartening to see incremental domestic retail participation in markets by way of direct equity investment as well as via mutual funds especially Systematic Investment (SIP) route that have given a leg up and bellwether large recent outflows. Thanks to growing equity investment cult amongst Indian households.

As we are in the midst of Q2 corporate earnings, majority earnings that have been declared till date are decent barring very few. While we go through these numbers, we have to be mindful of commodity inflationary pressure we have overcome in the past quarter and judge the performance.

In banking space especially PSU banks have fared well. Top of the pack SBI reported a net profit of Rs 13,264 crore for the quarter ended September 2022. Highest-ever quarterly net profit reported by the country's largest bank also making it country's most profitable corporate on a consolidated basis.

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

**With warm regards,**

**Mr. V. Hari babu - President & Whole-Time Director**

### Snap Shots

<i>Inflation (WPI) (%)</i>	10.7% (September 2022)	12.41% (August 2022)	13.93% (July 2022)	15.18% (June 2022)
<i>Inflation (CPI) (%)</i>	7.41% (September 2022)	7% (August 2022)	6.71% (July 2022)	7.01% (June 2022)
<i>India Industrial Production (IIP) (%)</i>	2.4% (July 2022)	12.3% (June 2022)	19.6% (May 2022)	7.1% (April 2022)
<b>Particulars</b>	7.10.2022	14.10.2022	21.10.2022	28.10.2022
<i>91-Day Cut-off (%)</i>	6.08	6.31	6.36	6.40
<i>10-yr G-Sec yield (%)</i>	7.47	7.47	7.50	7.41
<i>USD/INR(Rs)</i>	82.4	82.39	82.86	82.41
<i>EUR/INR (Rs)</i>	80.55	80.68	80.93	82.14

### Global Indices

<b>Indices</b>	<b>Country</b>	<b>31-Oct-22</b>	<b>30-Sep-22</b>	<b>Variation (%) (Inc/ Dec)</b>
SENSEX	India	60746.59	57,426.92	5.78%
NIFTY 50	India	18012.2	17,094.35	5.37%
S&P 500	United States	3871.98	3,640.47	7.99%
DJIA	United States	32732.95	29,225.61	13.95%
NASDAQ	United States	10988.15	10,737.51	3.90%
FTSE 100	United Kingdom	7094.53	6,898.63	2.91%
CAC 40	France	6266.77	5,713.80	8.75%
DAX	Germany	13253.74	12,007.29	9.41%
Nikkei 225	Japan	27587.46	25,937.21	6.36%
Straits Times	Singapore	3093.11	3239.33	-1.19%

### Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments October 2022	Equity	172,686.47	171,172.28	1,514.19
	Debt	13,380.42	14,382.04	-1,001.62
Mutual Fund October 2022	Equity	40,092.14	32,309.79	7,782.35
	Debt	45,213.94	45,878.33	-664.39
<b>FII Derivative Trades (Rs. in Crores) October 2022</b>	<b>INDEX FUTURES</b>	<b>INDEX OPTIONS</b>	<b>STOCK FUTURES</b>	<b>STOCK OPTIONS</b>
Buy	94,792.69	19,290,893.77	367067.38	153747.18
Sell	84,696.90	19,210,737.26	356300.12	152451.12

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
JM Midcap Fund	31-Oct-2022	14-Nov-2022	5000	Open Ended
Kotak All Weather Debt FOF	28-Oct-2022	10-Nov-2022	5000	Open Ended
HDFC NIFTY Private Bank ETF	28-Oct-2022	09-Nov-2022	500	Open Ended
HDFC NIFTY IT ETF	28-Oct-2022	09-Nov-2022	500	Open Ended

### Stock picks

Company Name / Symbol	Current Market Price (CMP) (RS)	Buy / Sell	Stop loss	Target	Short / Medium / Long term
PEL	902	Buy	850	1000	Short term
Bank of Baroda	158	Buy	140	180	Short term
Union Bank of India	58	Buy	50	68	Short term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 07.11.22.

### Forthcoming Corporate Actions

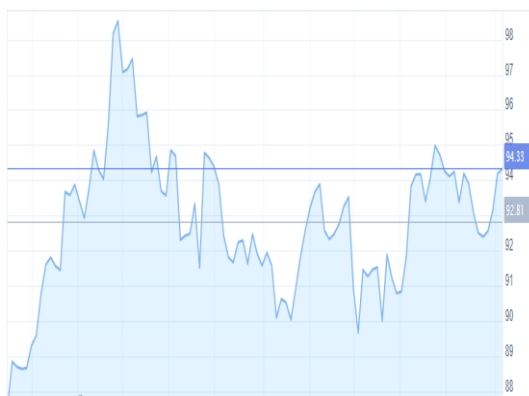
SYMBOL	COMPANY NAME	PURPOSE	EX-DATE	RECORD DATE
RECLTD	REC Ltd	07-Nov-22	Interim Dividend - Rs. - 5.0000	09-Nov-22
SPLPETRO	SUPREME PETROCHEM LTD.	07-Nov-22	Interim Dividend - Rs. - 4.0000	09-Nov-22
SUPREMEIND	SUPREME INDUSTRIES LTD.	07-Nov-22	Interim Dividend - Rs. - 6.0000	09-Nov-22
IMAGICAA	Imagicaaworld Entertainment Ltd	09-Nov-22	E.G.M.	-
PUNITCO	PUNIT COMMERCIALS LTD.	09-Nov-22	Bonus issue 5:1	09-Nov-22
TECHM	TECH MAHINDRA LTD.	09-Nov-22	Interim Dividend	10-Nov-22
DAAWAT	LT FOODS LTD.	10-Nov-22	Interim Dividend	11-Nov-22
DALBHARAT	Dalmia Bharat Ltd	10-Nov-22	Interim Dividend	11-Nov-22
GILLETTE	GILLETTE INDIA LTD.	10-Nov-22	Final Dividend - Rs. - 36.0000	-
NYKAA	FSN E-Commerce Ventures Ltd	10-Nov-22	Bonus issue 5:1	11-Nov-22
SHAREINDIA	Share India Securities Ltd	10-Nov-22	Interim Dividend	11-Nov-22
SSWL	STEEL STRIPS WHEELS LTD.-\$	10-Nov-22	Stock Split From Rs.5/- to Rs.1/-	11-Nov-22
GMM	GMM PFAUDLER LTD.	11-Nov-22	Interim Dividend	14-Nov-22
SAMOR	Samor Reality Ltd	11-Nov-22	Right Issue of Equity Shares	11-Nov-22
SIYSIL	SIYARAM SILK MILLS LTD.-\$	11-Nov-22	Interim Dividend	14-Nov-22
AMRUTANJAN	AMRUTANJAN HEALTH CARE	14-Nov-22	Interim Dividend	15-Nov-22

	LTD.-\$			
ARFIN	Arfin India Ltd	14-Nov-22	Stock Split From Rs.10/- to Rs.1/-	14-Nov-22
EPL	EPL Ltd	14-Nov-22	Interim Dividend	15-Nov-22
NICCOPAR	NICCO PARKS & RESORTS LTD.-\$	14-Nov-22	Interim Dividend	14-Nov-22
POWERGRID	POWER GRID CORPORATION OF INDIA LTD.	14-Nov-22	Interim Dividend	15-Nov-22
GLOSTERLTD	Gloster Ltd	15-Nov-22	Interim Dividend	16-Nov-22
PGHL	Procter & Gamble Health Ltd	15-Nov-22	Final Dividend - Rs. - 11.5000	-
MRF	MRF LTD.	17-Nov-22	Interim Dividend	18-Nov-22
PAGEIND	PAGE INDUSTRIES LTD.	17-Nov-22	Interim Dividend	18-Nov-22
EMAMILD	EMAMI LTD.-\$	18-Nov-22	Interim Dividend	21-Nov-22
IRFC	Indian Railway Finance Corporation Ltd	18-Nov-22	Interim Dividend	21-Nov-22
MAANALU	MAAN ALUMINIUM LTD.	18-Nov-22	Interim Dividend	18-Nov-22

### Crude & Rupee check

Brent crude opened at \$88.15 for the month of October 2022. It climbed to \$96.8 but dropped to consolidate in the zone of \$90-\$94; ends months at \$94.38, gaining 7.71% for October. USD-INR opened October at \$81.34, made an all-time high of \$83 mid- month and closed at 82.63, a rise of 1.34% for October.

Crude chart



USD-INR chart



## Mutual Fund Corner

Scheme for the Month : UTI Multi Asset Fund

Level of Risk : Very High

### Objective

The Scheme seeks to achieve long term capital appreciation by investing predominantly in a diversified portfolio of equity and equity related instruments, debt and money market instruments with a view to generate regular income. The fund also invests in Gold ETFs. The portfolio allocation is managed dynamically.

### Trailing Returns

Trailing Returns (%)	UTI Multi Asset Fund	Hybrid Multi-asset allocation
YTD	3.12%	2.48%
1-M	1.57%	1.74%
6-M	6.18%	4.41%
Return Since Launch	11.30%	12.39%

### Fund Details

NAV as on 04.11.2022	Rs 45.36
Fund House	UTI Mutual Fund
Launch Date	Nov 19, 2008
Benchmark	Hybrid Multi-asset allocation
Type	Open-ended
Assets Under Management	Rs 879 cr

## Knowledge corner!!!

### Central Bank Digital Currency

#### What is digital rupee?

The Reserve Bank of India (RBI) on 1<sup>st</sup> November 2022 launched India's first digital rupee pilot project for the wholesale segment. Digital rupee, also known as Central Bank Digital Currency (CBDC), is a digital form of currency notes issued by the Reserve Bank of India. It is a digital token or electronic record of the official currency that is issued and managed by the monetary authority. It is substantially not different from banknotes, but being digital it is likely to be easier, faster and cheaper. It also has all the transactional benefits of other forms of digital money.

#### Advantages of CBDC

CBDC can provide an easy means to speed up a reliable sovereign backed domestic payment and settlement system partly replacing paper currency. It could also be used for cross-border payments subject to individual country wise design compatibility, interoperability and legal permissibility. Potential for more efficient payment system in areas where the managing currency is expensive. CBDC has the potential to increase financial inclusion.

CBDC can gradually bring a cultural shift towards virtual currency by reducing currency handling costs. It can also eventually facilitate cross boarder payments, initially with trading partners who have a two-way dealing to create interoperability as the system integrates.

The increased use of CBDC could be explored for many other financial activities to push the informal economy into the formal zone to ensure better tax and regulatory compliance.

#### Disadvantages of CBDC

Elevated cyber security risks, vulnerability testing and costs of protecting the firewalls.

Low user adoption - this can arise if its usefulness to consumers and merchants are not well perceived. Low CBDC adoption could hinder the policy objectives of the central banks.

Reduced privacy relative to physical cash as the CBDC holdings could be tracked and accounted for. Data privacy threats and compromise of credentials.

Pros	Cons
More efficient and secure payments.	Central banks have complete control.
Allow consumers to use central bank directly.	Less privacy for users.
Eliminate risk of a commercial bank collapse.	Difficult to attain widespread adoption.



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