



# Indbank Online

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## What's New!!!

### Economic & Business Updates

**India services PMI expands for first time in eight months:** The India Services Business Activity Index, compiled by IHS Markit, stood at 54.1 in October 2020 compared with 49.8 in September 2020. A reading above 50 indicates an expansion in business activity. The latest reading pointed to a solid rate of growth in output that was stronger than its long-run average.

**India's growth story intact despite Covid-19' says Government:** The government said that India's growth story is intact despite the coronavirus disease (Covid-19) pandemic. The announcement was made by Department of Economic Affairs (DEA), which comes under the finance ministry.

**ICICI Bank launches banking stack for millennial customers:** ICICI Bank has launched a banking stack for millennial customers which offers an instant savings account, a feature driven iMobile application that offers investment guidance, curated credit and debit card, instant personal loans and overdrafts, and an experiential branch with social engagement space.

**BSNL launches 3 new postpaid plans with data rollover facility and family add-ons:** BSNL is finally stepping up the game in the postpaid segment. The government-owned PSU is launching new plans on December 1, 2020, taking on the new JioFiber postpaid plans. BSNL's new postpaid plans start at Rs 199 and the new launches include Rs 798 and Rs 999.

**Gold recycling hits 8-year-high on record prices:** High gold prices pushed the recycling of the yellow metal to an eight-year-high of 41 tonnes in the September quarter, with both consumers and some of the distressed jewellers recycling their inventory to meet immediate cash requirements.

**Bharat Biotech's Covid vaccine covaxin could be launched as early as February 2021:** An Indian government-backed COVID-19 vaccine could be launched as early as February 2021 months earlier than expected, as last-stage trials begin this month and studies have so far showed it is safe and effective, a senior government scientist told Reuters.

**Boris Johnson warns of Covid deaths on 'grievous scale' if UK lockdown rules not followed:** Boris Johnson warned of a "risk of mortality on a grievous scale" if fresh coronavirus lockdown rules are not agreed to by the U.K. Parliament. British politicians later approved a month-long lockdown in England, voting in favour of Prime Minister Boris Johnson's plan to try to prevent COVID-19 running out of control and overwhelming health services.

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## **President Desk**



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

Indian Indices Nifty and Sensex are basking on back of festive cheers. Month gone by saw both benchmark indices Nifty and Sensex rise over 5% from their respective lows registered in the month of October 2020. Indices have recouped majority of the lost ground in seven month post the mayhem that we witnessed during the initial part of this year. To be precise indices have gained more than 60% from their respective March lows.

Our markets have witnessed large chunk of foreign fund inflow. October witnessed almost 17000 crore net foreign inflow into domestic equities. This is on back of Central Banks pumping in liquidity similar to the form of Helicopter Money to mitigate risks pertaining to COVID-19 related economic fall outs.

We are approaching almost mid of results season for Q2FY20. Majority corporate houses have come out with decent set of numbers given the situation our economy have passed through. On a broader perspective overall results still remain on the lower side while comparing with pre-covid levels.

On COVID front numbers have touched peak of 95000 cases approximately per day in the fag end of September and now cases are rising on an average by 45000-50000 per day. Foreign countries are now slowly starting to witness a second wave with significant surge in COVID cases and deaths. Another wave of rising covid cases may start in India too in the coming days on back of ongoing state elections, uncontrolled festival shopping crowds at market places, lack of adherence to health protocol that may act as a catalyst for rising cases.

Globally market watchers are keenly watching developments pertaining to ongoing US Elections. US markets have traditionally witnessed volatility on back of election and outcome thereon. Other global markets have seen equally witnessed significant volatility on back of such big event.

Hurdles for Indian markets in the near future can be rising COVID cases in western countries or a possible second wave and allied lockdowns, unfavourable US elections outcome, FII outflow on back of policy changes in US that the new administration brings in, worsening domestic COVID situation and so on. Market participants must stay vigil with their respective market positioning and try to avoid excessive leveraged positions during such period of volatile market moves.

### **Happy and Safe Investing!!!**

### Snap Shots

<i>Inflation (WPI) (%)</i>	1.32% <i>(September 2020)</i>	0.16% <i>(August 2020)</i>	-0.58% <i>(July 2020)</i>	-1.81% <i>(June 2020)</i>
<i>Inflation (CPI) (%)</i>	7.34% <i>(September 2020)</i>	6.69% <i>(August 2020)</i>	6.73% <i>(July 2020)</i>	6.09% <i>(June 2020)</i>
<i>India Industrial Production (IIP) (%)</i>	-8.0% <i>(August 2020)</i>	-10.4 <i>(July 2020)</i>	-16.6% <i>(June 2020)</i>	-16.7% <i>(March 2020)</i>
<i>Particulars</i>	09-Oct-2020	16-Oct-2020	23-Oct-2020	30-Oct-2020
<i>91-Day Cut-off (%)</i>	3.28	3.25	3.19	3.20
<i>10-yr G-Sec yield (%)</i>	5.96	5.96	5.88	5.89
<i>USD/INR(Rs)</i>	73.21	73.38	73.58	74.42
<i>EUR/INR (Rs)</i>	86.21	85.84	86.78	86.83

### Global Indices

<b>Indices</b>	<b>Country</b>	<b>Index as on 30.10.2020</b>	<b>Index as on 30.09.2020</b>	<b>Variation (%) (Inc/ Dec)</b>
<i>SENSEX</i>	<i>India</i>	39,614.07	38,067.93	4.06
<i>NIFTY 50</i>	<i>India</i>	11642.40	11247.55	3.51
<i>NASDAQ</i>	<i>United States</i>	10,911.59	11,167.51	-2.29
<i>DJIA</i>	<i>United States</i>	26,501.60	27,781.70	-4.61
<i>S&amp;P 500</i>	<i>United States</i>	3,269.96	3,363.00	-2.77
<i>Hang Seng</i>	<i>Hong Kong</i>	24,107.42	23,459.05	2.76
<i>Nikkei 225</i>	<i>Japan</i>	22,977.13	23,185.12	-0.90
<i>Shanghai Composite</i>	<i>China</i>	3,224.53	3,218.05	0.20
<i>Straits Times</i>	<i>Singapore</i>	2423.84	2470.67	-1.90
<i>FTSE 100</i>	<i>United Kingdom</i>	5577.75	5872.15	-5.01
<i>CAC 40</i>	<i>France</i>	4,594.24	4,803.44	-4.36
<i>DAX</i>	<i>Germany</i>	11,556.48	12,760.73	-9.44

### Sector-wise performance (October 2020)

Sector	Market-Cap (Rs in Crores)	Change	No. of stocks Advanced	No. of stocks Declined
Agri	1,23,263	4.45%	10	50
Alcohol	71,944	-16.28%	2	7
Automobile & Ancillaries	9,43,251	-32.02%	6	106
Aviation	55,425	-0.19%	1	2
Banks	20,35,963	-38.20%	4	27
Capital Goods	2,69,035	-32.75%	8	73
Chemicals	7,13,483	31.74%	23	75
Construction Materials	4,09,034	-3.50%	6	47
Consumer Durables	1,53,773	15.68%	7	19
Containers & Packaging	8,652	-5.89%	3	8
Diamond & Jewellery	1,32,531	5.55%	4	8
Diversified	1,75,796	-26.75%	4	16
Electricals	15,890	-58.05%	0	24
ETF	16,370	-28.16%	32	17
Finance	11,25,957	-10.86%	22	84
FMCG	13,99,560	17.49%	15	23
Footwear	35,637	77.60%	2	3
Healthcare	10,54,445	36.29%	47	46
Hospitality	26,514	-57.43%	0	24
Industrial Gases & Fuels	98,193	-21.11%	3	3
Infrastructure	2,57,319	-36.84%	1	60
Insurance	3,54,005	-3.11%	4	2
Logistics	68,913	-38.11%	2	29
Manufacturing	13,473	-22.98%	1	4
Media & Entertainment	62,530	-58.79%	1	34
Metals & Mining	5,31,567	-43.34%	7	90
Miscellaneous	1,01,540	-15.90%	5	35
Oil & Gas	15,81,422	18.81%	1	13
Paper	6,721	-62.52%	0	21
Photographic Products	12	-83.19%	0	1
Plastic Products	59,457	-8.40%	5	22
Power	3,36,144	-28.52%	4	27
Real Estate	1,37,328	-41.75%	3	50

Retailing	2,00,323	28.88%	3	10
Ship Building	4,416	-37.56%	0	1
Software & IT Services	22,16,854	61.80%	32	55
Telecom	3,68,316	-31.56%	6	16
Textiles	98,145	-34.55%	8	95
Trading	57,661	7.49%	1	16

### Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments October 2020	Equity	151,066.63	134,072.52	16,994.11
	Debt	23,627.87	19,851.60	3,776.27
Mutual Fund October 2020	Equity	44,264.31	60,291.78	-16,027.47
	Debt	136,669.66	107,247.04	29,422.62
FII Derivative Trades (Rs. in Crores) October 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	92,153.54	5,899,177.91	375218.88	130514.47
-Sell	97,098.83	5,887,029.48	373777.86	130288.37

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Mahindra Manulife Focused Equity Yojana	26-Oct-2020	09-Nov-2020	1,000	Open Ended
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	03-Nov-2020	09-Nov-2020	5,000	Open Ended
Nippon India Fixed Horizon Fund - XLII - Series 7	04-Nov-2020	09-Nov-2020	5,000	Close Ended
Mirae Asset ESG Sector Leaders ETF	27-Oct-2020	10-Nov-2020	5,000	Open Ended
Mirae Asset ESG Sector Leaders Fund of Fund	27-Oct-2020	10-Nov-2020	5,000	Open Ended

## Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
MASTEK	MASTEK LTD.	Interim Dividend - Rs. - 5.5000	09-Nov-20	10-Nov-20
SHARDACROP	Sharda Cropchem Ltd	Interim Dividend - Rs. - 2.0000	09-Nov-20	10-Nov-20
SRTRANSFIN	SHRIRAM TRANSPORT FINANCE CO.LTD.	Interim Dividend - Rs. - 6.0000	09-Nov-20	10-Nov-20
LAURUSLABS	Laurus Labs Ltd	Interim Dividend - Rs. - 0.8000	10-Nov-20	11-Nov-20
NAVINFLUOR	Navin Fluorine International Limited-\$	Interim Dividend - Rs. - 5.0000	10-Nov-20	11-Nov-20
NEULANLAB	NEULAND LABORATORIES LTD.	Interim Dividend - Rs. - 2.0000	10-Nov-20	11-Nov-20
BUTTERFLY	Butterfly Gandhimathi Appliances Ltd	Interim Dividend - Rs. - 1.5000	11-Nov-20	12-Nov-20
DABUR	DABUR INDIA LTD.	Interim Dividend - Rs. - 1.7500	11-Nov-20	12-Nov-20
SHRIRAMCIT	SHRIRAM CITY UNION FINANCE LTD.	Interim Dividend - Rs. - 10.0000	11-Nov-20	12-Nov-20
AJANTPHARM	AJANTA PHARMA LTD.	Interim Dividend - Rs. - 9.5000	12-Nov-20	13-Nov-20
NTPC	NTPC LTD.	Buy Back of Shares	12-Nov-20	13-Nov-20
THYROCARE	Thyrocare Technologies Ltd	Interim Dividend - Rs. - 10.0000	12-Nov-20	13-Nov-20
THYROCARE	Thyrocare Technologies Ltd	Interim Dividend - Rs. - 10.0000	12-Nov-20	13-Nov-20
GILLETTE	GILLETTE INDIA LTD.	Final Dividend - Rs. - 49.0000	17-Nov-20	-
UTIAMC	UTI Asset Management Company Ltd	Final Dividend - Rs. - 7.0000	19-Nov-20	-
HATSUN	HATSUN AGRO PRODUCT LTD.	Bonus issue 1:3	09-Dec-20	10-Dec-20

## Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Godrej Consumer Product	669	Buy	665-669	640	715	Short term
Reliance Industries	1955	Buy	1955	1850	2060	Short term
Biocon	413	Buy	405-410	388	435	Short term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 05.11.20.

### Crude and Rupee check

Crude opened at \$ 42.20 in the month of October. Crude price witnessed selling pressure and witnessed price volatility on back of second wave of virus globally. Crude closed at \$ 37.46. Rupee closed at Rs 74.55 on 30<sup>th</sup> October, 2020.

#### Brent crude price movement:



#### USD-INR price movement:



### **ETF Corner**

Scheme for the Month : Quantum Nifty ETF

Level of Risk : Moderately High

#### **Objective**

The principal investment objective of the scheme is to invest in stocks of companies comprising Nifty 50 Index and endeavour to achieve return equivalent to the Nifty by passive investment.

#### **Trailing Returns**

Trailing Returns (%)	Fund (%)	NIFTY 50 TRI
YTD	0.27	1
1-M	5.58	5.08
3-M	9.52	9.33
1-Y	2.37	2.83
3-Y	6.11	5.16
5-Y	9.89	9.99

#### **ETF Details**

NAV as on 01.10.2020	Rs 1,244
Fund House	Quantum Mutual Fund
Launch Date	10-Jul-2008
Return Since Launch	10.34%
Benchmark	NIFTY 50 TRI
Type	Open-ended
Assets Under Management	₹ 7 Cr (As on 30-Sep-2020)
Expense	0.09% (As on 30-Sep-2020)
Underlying asset	Equity



## Knowledge corner!!!

### Asset Allocation & its importance:

**What is Asset Allocation?** Asset allocation refers to distributing investible surplus across asset classes such as equity, debt, gold, real estate or even holding cash. So by allocating assets, one can essentially adopt an investment strategy which can balance ones portfolio risk and reward keeping in mind risk profile, financial goals and investment time horizon.

Asset allocation can impact an investment portfolio in four key ways:

**Optimise Returns:** Every asset class will generate different returns and react in a dissimilar manner to similar market conditions. Therefore, by spreading investments across asset classes, an investor can optimise portfolio returns.

**Minimise Risks:** Risk is inherent in all investments. However, in some investments the risk is high while in others it is low. Asset allocation ensures that the portfolio is diversified and that portfolio risk is spread across asset classes.

**Alignment with time-horizon:** Time horizon of goals and risk profile of the investor, strongly influence the asset allocation decision. A portfolio needs to have a mix of equities, debt and cash to meet both, short-term as well as long-term needs. Asset allocation helps investors strike the balance between investments for the short-term and investments for the long-term.

**Minimize Taxes:** Different asset classes are taxed in different ways. By allocating investments across asset classes, an investor can minimize tax liability.

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