



# Indbank Online

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## What's New!!!

### Economic & Business Updates

**GST collections for September at six-month high:** Goods and services tax (GST) collections grew 4% to Rs 95,000 crore in September 2020 the first rise after six months of decline indicating a recovery in economic activity.

**Government retains full-year borrowing target, to borrow Rs 12 Lakh Crore:** Government will stick to its borrowing plan of ₹ 12 lakh crore for the current fiscal year, economic affairs secretary Tarun Bajaj said in a press conference, even as the government expects to fall short of its revenue targets. Government will borrow ₹ 4.34 lakh crore via bonds in the second half of the year ending in March 2021.

**5.74 crore e-way bills generated in Sept; signs of economic growth says Finance Secretary:** Finance Secretary Dr Ajay Bhushan Pandey while interacting with media said more than 5.74 crore e-way bills have been generated in September 2020 and these are affirmative signs of economic growth as the business activities are unlocking gradually and despite the adverse impact of COVID-19.

**RBI approves interim panel to run operations of Dhanlaxmi Bank till new MD, CEO take charge:** Reserve Bank of India has approved a three-member panel till the new managing director and chief executive officer take charge. The committee of directors will be constituted with Shri. G. Subramonia Iyer as chairman, G. Rajagopalan Nair and P.K Vijayakumar as members. The banking regulator has directed that the interim arrangement will not continue beyond four months, the bank said in the regulatory filing with exchanges. The bank has been asked to complete the proceedings of appointing a new MD and CEO.

**Lakshmi Vilas Bank, Clix Capital reaffirm commitment to ongoing merger:** Lakshmi Vilas Bank (LVB) and Clix Capital executives have reaffirmed their commitment to the ongoing merger talks, following speculation that the deal was being called off.

**Indian startups are looking to break Google's monopoly with a localized Play Store alternative:** About two weeks back, Paytm got kicked out of the Play Store. While the episode didn't last long as Google reinstated the app within hours, it triggered a widespread call to curb Google's unabated dominance over the country's app distribution market. That uproar has now reached a point where a local tech startup consortium is exploring the option to launch a Play Store alternative that frees it from Google's control.

**Moderna's coronavirus vaccine won't be ready before US Elections:** US biotech firm Moderna won't seek an emergency use authorization for its coronavirus vaccine before November 25, 2020 its CEO told the Financial Times.

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## **President Desk**



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

Month of September, 2020 saw mixed action from both foreign and domestic institutions. Initial part of the month witnessed inflow of funds in cash segment from foreign institutions and towards the fag end saw reasonable cash outflow. Domestic institutional cash flow in equities was largely negative to muted. Reason for the same could be larger direct equity participation seen from market participants rather than opting mutual fund route. Benchmark indices Nifty and Sensex witnessed volatility of more than 1000 points and 3000 points respectively. This volatility that we saw in markets can be on back of varied news flow such as changes in category wise holding limits prescribed for multicap funds, changes pertaining to pledge and re pledge of securities, margin rules and so on.

Despite the slowdown and uncertainty in the economy, ample liquidity among investors and low interest rates on fixed income instruments have helped recent IPOs receive overwhelming responses. Businesses having future growth potential and that are reasonably valued are seeing subscription more than 100 times. This shows strong investor appetite in primary market. As a lesson from past, investors must carry out proper due diligence to avoid any sort of mishaps in market.

As we all know Reliance Jio and Retail businesses have attracted more than half of Foreign Direct inflow in the calendar year our country has attracted. Marquee global business firms in the lights of Facebook, Google etc have shown keen interest for investing in India. Global investors showing interest amidst pandemic and are even undeterred by it, shows the resilience of our country and the immense economic growth potential it throws wide open. Domestic investor considering this, must look in for quality businesses for long term investments.

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

### Snap Shots

<i>Inflation (WPI) (%)</i>	0.16% (August 2020)	-0.58% (July 2020)	-1.81% (June 2020)	-3.21% (May 2020)
<i>Inflation (CPI) (%)</i>	6.69% (August 2020)	6.73% (July 2020)	6.09% (June 2020)	- * (May 2020)
<i>India Industrial Production (IIP) (%)</i>	Yet to be released (August 2020)	-10.4 (July 2020)	-16.6% (June 2020)	Not released (May 2020)
<i>Particulars</i>	25-Sep-2020	18-Sep-2020	11-Sep-2020	04-Sep-2020
<i>91-Day Cut-off (%)</i>	3.41	3.41	3.40	3.42
<i>10-yr G-Sec yield (%)</i>	6.06	6.03	6.06	5.95
<i>USD/INR(Rs)</i>	73.73	73.30	73.47	73.34
<i>EUR/INR (Rs)</i>	86.04	86.88	86.97	86.85

\*could not be computed due to non-availability data owing to COVID-19 lockdown restrictions.

### Global Indices

<b>Indices</b>	<b>Country</b>	<b>Index as on 30.09.2020</b>	<b>Index as on 29.08.2020</b>	<b>Variation (%) (Inc/ Dec)</b>
<i>SENSEX</i>	<i>India</i>	38,067.93	39,467.31	3.68
<i>NIFTY 50</i>	<i>India</i>	11247.55	11,647.60	3.56
<i>NASDAQ</i>	<i>United States</i>	11,167.51	11,695.63	4.73
<i>DJIA</i>	<i>United States</i>	27,781.70	28,653.87	3.14
<i>S&amp;P 500</i>	<i>United States</i>	3,363.00	3,508.01	4.31
<i>Hang Seng</i>	<i>Hong Kong</i>	23,459.05	25,422.06	8.37
<i>Nikkei 225</i>	<i>Japan</i>	23,185.12	22,882.65	-1.30
<i>Shanghai Composite</i>	<i>China</i>	3,218.05	3,403.81	5.77
<i>Straits Times</i>	<i>Singapore</i>	2470.67	2,539.63	2.79
<i>FTSE 100</i>	<i>United Kingdom</i>	5872.15	5,963.57	1.56
<i>CAC 40</i>	<i>France</i>	4,803.44	5,002.94	4.15
<i>DAX</i>	<i>Germany</i>	12,760.73	13,033.20	2.14

### Sector-wise performance (September 2020)

Sector	Market-Cap (Rs in Crores)	Change	No. of stocks Advanced	No. of stocks Declined
Agri	1,26,684	7.06%	13	47
Alcohol	70,888	-17.51%	2	7
Automobile & Ancillaries	9,43,979	-31.97%	5	110
Aviation	49,232	-11.34%	1	2
Banks	17,60,537	-46.90%	4	27
Capital Goods	2,58,511	-35.42%	9	74
Chemicals	6,90,053	27.42%	26	72
Construction Materials	3,64,402	-14.08%	4	49
Consumer Durables	1,52,136	14.56%	8	19
Containers & Packaging	8,370	-9.35%	3	8
Diamond & Jewellery	1,28,483	2.17%	5	8
Diversified	1,64,818	-31.23%	4	16
Electricals	16,536	-56.35%	0	24
ETF	15,634	-31.39%	31	17
Finance	10,40,372	-17.66%	18	91
FMCG	13,92,645	16.88%	15	24
Footwear	34,660	72.79%	2	3
Healthcare	10,61,878	37.24%	45	48
Hospitality	27,392	-55.90%	1	22
Industrial Gases & Fuels	98,332	-21.34%	3	3
Infrastructure	2,48,075	-39.00%	1	55
Insurance	3,55,505	-2.69%	4	2
Logistics	65,811	-40.88%	3	27
Manufacturing	13,049	-26.69%	2	4
Media & Entertainment	66,686	-56.03%	2	33
Metals & Mining	5,13,543	-45.26%	8	88
Miscellaneous	99,999	-16.38%	6	36
Oil & Gas	17,44,373	31.06%	1	13
Paper	6,995	-63.56%	0	20
Photographic Products	13	-82.64%	0	1
Plastic Products	58,847	-9.33%	4	23

Power	3,21,080	-31.73%	5	27
Real Estate	1,32,654	-43.72%	2	51
Retailing	1,92,953	24.14%	3	10
Ship Building	4,473	-36.76%	0	1
Software & IT Services	20,89,970	51.31%	31	56
Telecom	3,52,540	-34.49%	6	17
Textiles	95,820	-36.09%	7	93
Trading	51,588	-3.83%	1	16

### Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments September 2020	Equity	133,150.82	138,840.69	-5,689.87
	Debt	17,261.08	14,251.69	3,009.39
Mutual Fund September 2020	Equity	54,631.13	57,551.88	-2,920.75
	Debt	129,070.99	116,939.39	12,131.60
FII Derivative Trades (Rs. in Crores) September 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	103,619.61	5,161,835.90	391051.85	131481.10
-Sell	105,098.96	5,142,806.75	391562.13	131243.60

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Nippon India Nifty Smallcap 250 Index Fund	28-Sep-2020	09-Oct-2020	5,000	Open Ended
Principal Large Cap Fund	28-Sep-2020	12-Oct-2020	5,000	Open Ended

### Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
SGRL	Shree Ganesh Remedies Ltd	Bonus issue 3:26	06-Oct-20	07-Oct-20
KDML	Khemani Distributors & Marketing Ltd	Bonus issue 1:1	07-Oct-20	08-Oct-20
SMGOLD	S. M. Gold Ltd	Bonus issue 1:2	08-Oct-20	09-Oct-20
VIVIDM	Vivid Mercantile Ltd	Bonus issue 26:10	08-Oct-20	09-Oct-20
CHDCHEM	CHD Chemicals Ltd	Interim Dividend	09-Oct-20	12-Oct-20
SHUBHAM	Shubham Polyspin Ltd	Bonus issue 1:1	09-Oct-20	12-Oct-20
POWERMECH	Power Mech Projects Ltd	Final Dividend - Rs. - 1.0000	12-Oct-20	-
SHANGAR	Shangar Decor Ltd	Bonus issue 1:1	12-Oct-20	13-Oct-20
KDML	Khemani Distributors & Marketing Ltd	Bonus issue 1:1	07-Oct-20	08-Oct-20
SMGOLD	S. M. Gold Ltd	Bonus issue 1:2	08-Oct-20	09-Oct-20
VIVIDM	Vivid Mercantile Ltd	Bonus issue 26:10	08-Oct-20	09-Oct-20
CHDCHEM	CHD Chemicals Ltd	Interim Dividend	09-Oct-20	12-Oct-20
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## Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Goldbees	44.70	Buy	42-44	34	52-55	Long term
Bharti Airtel	432	Buy	425-432	395	480-500	Medium term
Ebixcash World	348	Buy	340-348	300	410	Medium term

*\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 02.10.20.*

### **Crude and Rupee check**

Crude opened at \$ 45.57 in September. Crude price witnessed selling pressure and witnessed price volatility on back of second wave of virus globally. Crude closed at \$ 40.95. Rupee closed at Rs 73.56 on 30<sup>th</sup> September, 2020.

#### **Brent crude price movement:**



#### **USD-INR price movement:**



## **ETF Corner**

Scheme for the Month : SBI ETF Nifty 50

Level of Risk : Moderately High

### **Objective**

The Investment objective of the scheme is to provide returns that, closely correspond to the total returns of the securities as represented by the underlying index, subject to tracking error.

### **Trailing Returns**

Trailing Returns (%)	Fund (%)	NIFTY 50 TRI
YTD	-5.71	-4.5
1-M	-0.45	-0.16
3-M	9.8	10.31
1-Y	1.18	2.03
3-Y	6.4	5.66
5-Y	8.77	8.82

### **ETF Details**

NAV as on 01.10.2020	Rs 118.12
Fund House	SBI Funds Management Ltd
Launch Date	20-Jul-2015
Return Since Launch	6.87%
Benchmark	NIFTY 50 TRI
Type	Open-ended
Assets Under Management	₹ 75,911 Cr (As on 31-Aug-2020)
Expense	0.07% (As on 30-Sep-2020)
Underlying asset	Equity



## Knowledge corner!!!

### **Mutual fund investments and its advantages:**

Mutual fund is an investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets. Mutual funds are operated by professional fund managers, who allocate the fund's investments and attempt to produce long term wealth creation for the investors.

Mutual funds are a popular choice among investors because they generally offer the following features:

**Professional Management:** The fund managers do the research for you. They select the securities and monitor the performance.

**Diversification:** Mutual funds typically invest in a range of companies and industries. This helps to lower your risk if one company fails.

**Smaller capital outlay:** since mutual funds work on the basis of pooling of money, mutual fund investors can have the beneficial ownership of a diversified portfolio of stocks with a much smaller capital outlay.

**Variety of products:** Mutual funds offer investors a variety of products to suit their risk profile and investment objectives. Apart from equity funds, there are also balanced funds, monthly income plans, income funds and liquid funds to suit different investment requirements.

**Affordability:** Investment in certain mutual fund schemes can be commenced with a minimum of even Rs 500.

**Variety of modes of investments:** Mutual funds also offer investors flexibility in terms of modes of investment and withdrawal. Investors can opt for different investment modes like lump sum (or one time), systematic investment plans (SIP) etc. One can invest in growth option of mutual funds if he/she wishes to take advantage of compounded return over a long investment period. One can invest in dividend option if the need is of a regular income out of your investment. No other investment product offers such wide array of investment modes.

**Liquidity:** Mutual fund investors can easily redeem their units at any time, at the current net asset value (NAV).

**Disciplined investing:** Mutual funds encourage investors to invest over a long time horizon, which is essential for creating wealth. Furthermore, SIP encourages investors to invest in a disciplined manner to meet their long term financial objectives. Many investors fail to build a substantial investment corpus because they are unable to invest in a disciplined manner. Savings not invested regularly often gets spent on discretionary lifestyle related expenses. SIP in mutual funds help investors to maintain a disciplined approach to savings and investment. SIP also helps investors take emotions out of the investment process. Very often investors get enthusiastic in bull market conditions, but get nervous in bear markets. By investing through SIP in a structural way, investors can stay disciplined, which is critical to achieving their financial objectives.

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