



## What's New!!!

### Economic & Business Updates

- **Parliament approves abrogation of special status given to J&K under Article 370:** A resolution removing the special status of the state under Article 370 was approved by the Rajya Sabha and Lok Sabha. Government also moved The Jammu and Kashmir (Reorganisation) Bill, 2019, which strips Jammu and Kashmir's status of a state and converts it into two Union Territories - Jammu and Kashmir with a legislature and Ladakh without legislature.
- **Finance Minister Nirmala Sitharaman announces slew of measures to revive economy:** Finance Minister announced a slew of measures to stoke demand, including a rejig of its spending programme, addressing supply side bottle necks and easing of bank credit rules, even while she reassured a jittery India Inc by promising to end tax terrorism.
- **Ten public sector banks to be merged into four:** Finance Minister Nirmala Sitharaman announced a big consolidation of public sector banks. Ten public sector banks to be merged into four. Under the scheme of amalgamation, Indian Bank will be merged with Allahabad Bank (anchor bank - Indian Bank); PNB, OBC and United Bank to be merged (PNB will be the anchor bank); Union Bank of India, Andhra Bank and Corporation Bank to be merged (anchor bank - Union Bank of India); and Canara Bank and Syndicate Bank to be merged (anchor bank - Canara Bank).
- **India's economic growth at 6-year low, GDP at 5 per cent in June quarter:** India's economy expanded at its slowest pace in over six years. Growth in the country's gross domestic product (GDP) stood at 5 per cent in the first quarter of current financial year (2019-20), compared with 5.8 per cent in the previous quarter and 8.0 per cent in the quarter ended June 30, 2018. Decelerating for the fifth quarter in a row, economic expansion came in at the slowest pace since the quarter ended March 2013.
- **RBI to transfer Rs 1.76 lakh crore surplus to government:** The Reserve Bank of India (RBI) will transfer a surplus of Rs 1.76 lakh crore to the government as it has approved the recommendations of Bimal Jalan committee at the central board meet held in Mumbai on August 26, 2019.
- **Every economy faces headwinds, India no exception says, Vedanta:** Stating that every economy faces headwinds and India was no exception, mining major Vedanta said the country's economy was going through a "transition". The remarks come at a time when IMF and Asian Development Bank (ADB) have lowered India's growth forecast, citing global and domestic headwinds.
- **Indian Oil to build a 1 GW electric vehicle battery plant:** State-run oil refiner Indian Oil Corporation Ltd will set up a 1 Giga Watt (GW) plant to make batteries used for running electric vehicles (EVs) in partnership with an overseas start-up using a non-lithium ion raw material that is locally available, said Chairman Sanjiv Singh.
- **Xiaomi is moving into India's consumer-lending market:** The fourth-largest mobile phone vendor plans to launch a consumer-lending business in India in the next few weeks, according to Reuters. It will offer loans of up to 100,000 rupees (\$1,451), with interest rates starting at 1.8%.
- **China to impose \$75 billion in retaliatory tariffs on US goods:** The Chinese State Council said it has decided to slap tariffs ranging from 5% to 10% on \$75 billion U.S. goods in two batches effective on Sept. 1 and Dec. 15. Those dates happens to be when President Donald Trump's latest tariffs on Chinese goods are to take effect.
- **Trump says talks with China continue amid escalating trade war:** President Donald Trump said U.S. and Chinese officials spoke amongst each other and he is optimistic China wants to make a deal after the trade war between the two countries escalated in recent days.



Mr. Sessa Sai P L V K

## From the President's Desk

### *Warm Greetings!!!*

The month gone by witnessed many key market driving events right from abrogation of Article 370 to various key measures announced by Finance minister. Reacting to the 'gloom-and-doom' narrative around the economy, the Finance Minister announced a slew of steps to kick-start growth and restore sentiments of the business community. The Centre rolled back the additional surcharge on capital gain for both foreign and domestic institutional investors announced in the July 5th Budget. This came in as a breather for market which on back of this budget announcement witnessed intense selling pressure fuelled by aggrieved foreign investors.

Major economies around the world are facing slowdown in growth and India is no exception for this. June quarter GDP in India grew at 5%, which is slowest in last six years shows Indian economy is also facing slowdown pressure. Sales data of recent past from some of the key consumption oriented sectors such as automobiles, FMCG and discretionary space continues the fact that there remains a considerable slowdown. In order to soothe the nerves of investors and to arrest the slump in growth, government have come out with a slew of economic measures. On the ground how soon these measures can translate into real improvement in sentiments and rejuvenation in growth must be seen.

The finance minister has announced the mega merger of public sector bank (PSBs) reducing the number of PSBs to 12 banks. As part of this mega merger, our parent bank i.e., Indian Bank will be stronger with the added strengths of Allahabad bank. The combined entity would emerge as 7th largest PSB with Rs 8.08 lakh crore business.



Committee headed by ex- Reserve Bank of India governor Shri. Bimal Jalan has recommended that the Reserve Bank of India transfer Rs.1.76-lakh crore to the Centre for FY19, comprising of Rs.1.23-lakh crore from its net income for the year and Rs.52,637 crore from past reserves. RBI's Board accepted the Bimal Jalan committee's recommendations on a prudent economic capital framework. The annual face-off between the Bank and the Government on surplus transfers will hopefully cease for now on back of the recommended framework. The committee strikes a good balance between meeting the Centre's fiscal needs and ensuring that RBI has adequate reserves to fulfil its wide mandate.

SEBI came up with various changes to the existing rules for foreign portfolio investors. This pertains to ease of registration and operational rules governing these investors. These change of rules to an extent has aided in addressing sombre mood amongst FPI's. SEBI also asks mutual fund trustees to be more proactive, not wait for regulator to act. It also cautioned MFs to be more careful while investing in high-yield debt instruments and not choose returns over safety. Such caution at the time when part of the industry is reeling under pressure of uncertainty in return of capital, tends to uphold and resonate that investor interest is of utmost importance.

Markets are witnessing selling pressure and volatility. Selling pressure is largely seen in those companies which have run well ahead of its earnings. Correction in multiples is a routine phenomenon in market, where earnings does not match such higher trading multiples. Markets tend to sail through various phases and this phase of market we are currently witnessing is an accumulation phase similar to the one which we had during 2011-2013 period. Investors waiting on the side-lines hoping to see their preferred stocks at a better price can accumulate them whenever the market gives a good opportunity.

In India we are entering the festive season with Ganesh Chaturthi. May this usher in peace and prosperity for all in our Indbank family.

**Happy and Safe Investing!!!**

### Snap Shots

Inflation (WPI) (%)	1.08% (Jul 19)	2.02% (Jun 19)	2.45% (May 19)	3.07% (Apr 19)
Inflation (CPI) (%)	3.15% (Jul 19)	3.18% (Jun 19)	3.05% (May 19)	2.92% (Apr 19)
India Industrial Production (IIP) (%)	2% (Jul 19)	3.1% (Jun 19)	3.4% (May 19)	-0.1% (Apr 19)
Particulars	23-Aug-2019	16-Aug-2019	09-Aug-2019	02-Aug-2019
91-Day Cut-off (%)	5.4477	5.4889	5.4477	5.6527
10-yr G-Sec yield (%)	6.56	6.53	6.49	6.35
USD/INR(Rs)	71.51	71.15	70.92	69.70
EUR/INR (Rs)	79.69	78.91	79.43	77.43

### Global Indices

Indices	Country	Index as on 30.08.2019	Index as on 31.07.2019	Variation (%) (Inc/ Dec)
SENSEX	India	37,332.79	37,481.12	-0.40
NIFTY 50	India	11,023.25	11,118.00	-0.85
NASDAQ	United States	7,962.88	8,175.42	-2.60
DJIA	United States	26,403.28	26,864.27	-1.72
S&P 500	United States	2,926.46	2,883.98	1.47
Hang Seng	Hong Kong	25,724.73	27,777.75	-7.39
Nikkei 225	Japan	20,704.37	21,521.53	-3.80
Shanghai Composite	China	2,886.24	2,952.34	-2.24
Straits Times	Singapore	3,106.52	3,300.75	-5.88
FTSE 100	United Kingdom	7,207.18	7,586.78	-5.00
CAC 40	France	5,480.48	5,518.90	-0.70
DAX	Germany	11,939.28	12,189.04	-2.05

### Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments August 2019	Equity	104,538.24	120,664.81	-16,126.57
	Debt	39,844.58	29,022.87	10,821.71
Mutual Fund August 2019	Equity	64,394.56	47,503.70	16,890.86
	Debt	155,751.40	107,375.82	48,375.58
<b>FII Derivative Trades (Rs. in Crores) August 2019</b>	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	1,05,655.85	52,69,611.71	3,23,309.32	1,11,597.34
- Sell	1,11,250.5	52,49,934.84	3,18,418.39	1,11,363.00

### Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
JAYBARMARU	Jay Bharat Maruti Limited	Dividend - Rs 2.50 Per Share	05-Sep-19
CHAMBLFERT	Chambal Fertilizers & Chemicals Limited	Dividend - Rs 2 Per Share	06-Sep-19
HINDUJAVEN	Hinduja Ventures Limited	Annual General Meeting / Dividend - Rs 17.50 Per Share	09-Sep-19
CDSL	Central Depository Services (India) Limited	Annual General Meeting / Dividend - Rs 4 Per Share	10-Sep-19
RVNL	Rail Vikas Nigam Limited	Dividend - Rs 0.09 Per Share	10-Sep-19
HEIDELBERG	Heidelberg Cement India Limited	Annual General Meeting / Dividend - Rs 3 Per Share	12-Sep-19
ANDHRSUGAR	The Andhra Sugars Limited	Annual General Meeting/Dividend - Rs 10 Per Share	14-Sep-19
ASTRAL	Astral Poly Technik Limited	Bonus 1:4	17-Sep-19
HDFCBANK	HDFC Bank Limited	Face Value Split (Sub-Division) - From Rs 2 Per Share to Rs 1 Per Share	20-Sep-19

### Upcoming IPO's

Issuer Company	Issue Open	Issue Close	Lot Size	Issue Price (Rs.)	Issue Size (Rs. Cr.)	Exchange
Salasar Exteriors and Contour Ltd	Aug 28, 2019	Sep 3, 2019	3000 Shares	Rs 36	Rs 8.50	NSE SME
Novateor Research Laboratories Ltd	Aug 30, 2019	Sep 4, 2019	6000 Shares	Rs 24	Rs 4.49	BSE SME

### Stock picks

Company Name	Current Market Price (CMP) (RS)	Buy / Sell	Recommended Buy / Sell price range	Stop loss	Target	Short / Medium / Long term
Central Depository Services (India) Ltd	195.35	Buy	188 - 190	180	215	Short term
Rail Vikas Nigam Limited	24.70	Buy	23.50 - 24	21	26	Short term
Orient Cement Ltd	81.90	Buy	80	70	110	Short term
Metropolis Healthcare Limited	1162	Sell	1230 - 1250	1300	1150	Short term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 30.08.19.

### Crude and Rupee check

Crude opened at \$65.05 in August. Crude price after hitting low of \$61.29 in August recovered and closed at \$65.17 on 30th August, 2019. Rupee closed at Rs68.87 on 30th August, 2019.

**Brent crude price movement**



**USD-INR price movement**





### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
SBI Capital Protection Oriented Fund-Series A (Plan 5)	22-Aug-2019	05-Sep-2019	Rs. 5,000	Close Ended
ITI Long Term Equity Fund	15-Jul-2019	14-Oct-2019	Rs. 500	Open Ended

### Sector-wise month to date performance (August 2019)

Sector	Market-Cap (Rs)	% Change	Advance	Decline
Agri	64,979	-41.29%	1	62
Alcohol	87,758	1.98%	1	10
Automobile & Ancillaries	8,33,812	-39.48%	5	107
Aviation	65,559	18.10%	1	2
Banks	20,02,222	-11.16%	6	31
Capital Goods	2,86,544	-27.53%	6	77
Chemicals	5,39,530	-1.81%	15	83
Construction Materials	3,40,178	-18.07%	2	50
Consumer Durables	1,20,458	-8.94%	4	24
Containers & Packaging	5,132	-44.99%	0	11
Diamond & Jewellery	1,24,514	-0.96%	3	11
Diversified	1,73,757	-25.70%	3	21
Electricals	18,007	-52.38%	1	22
ETF	20,170	-14.11%	32	18
Finance	11,76,813	-7.00%	13	98
FMCG	13,38,827	11.85%	15	26
Footwear	32,317	61.14%	2	3
Healthcare	6,65,727	-13.89%	18	80
Hospitality	43,602	-38.03%	2	24
Industrial Gases & Fuels	1,03,365	-17.41%	3	3
Infrastructure	3,19,916	-21.45%	2	56
Insurance	3,63,118	-0.58%	4	2
Logistics	68,660	-36.63%	2	27
Manufacturing	13,477	-24.32%	1	5
Media & Entertainment	79,496	-47.23%	2	35
Metals & Mining	5,22,929	-44.27%	6	92
Miscellaneous	80,907	-30.94%	2	32
Oil & Gas	12,45,067	-6.18%	2	14
Paper	10,384	-42.70%	1	20
Photographic Products	16	-77.85%	0	1
Plastic Products	50,038	-24.07%	2	26
Power	3,78,545	-17.43%	3	27
Real Estate	1,63,376	-30.78%	7	50
Retailing	1,61,998	8.26%	4	9
Ship Building	4,536	-35.88%	0	1
Software & IT Services	17,34,392	24.56%	22	68
Telecom	2,81,010	-46.44%	1	22
Textiles	86,480	-41.81%	6	106
Trading	33,880	-36.78%	0	16

## Mutual Fund Corner

Scheme for the Month : SBI Focused Equity Fund

Level of Risk : Moderately High

### Objective:

The scheme seeks to provide the investor with the opportunity of long-term capital appreciation by investing in a concentrated portfolio of equity and equity related securities.

Current Statistics & Profile	
Latest NAV	Rs. 135.08 (Growth) Rs. 24.70 (Dividend) as on 30.08.19
Fund Category	Equity: Multi Cap
Type	Open Ended
Launch Date	Oct 11, 2004
Net Assets (Cr)	Rs 4,984 crore
Benchmark	S&P BSE 500

Fund Style	Concentration & Valuation	
<b>Investment Style</b> Growth Blend Value  Capitalisation Large Medium Small	Number of Stocks	24
	Top 10 Stocks (%)	53.46
	Top 5 Stocks (%)	32.78
	Top 3 Sectors (%)	61.96
	Portfolio P/B Ratio	2.90
	Portfolio P/E Ratio	33.74

Asset Allocation	
As on 31.07.19	% Net Assets
Equity	95.16
Debt	1
Cash	3.84

Investment Details	
Minimum Investment Amount (Rs)	Rs 5,000
Additional Investment (Rs)	Rs 1,000
SIP(Rs)	Rs 500
Options	Growth/Dividend
Expense Ratio (%)	2.11%
Lock-in period	Nil
Exit Load (%)	1% for redemption within 365 days

### Trailing Returns

Trailing Returns %	Fund Return	S&P BSE 200	Category Return
Year To Date	1.8	-1.9	-1.31
1 Month	-3.58	-1.9	-1.98
3 Months	-7.67	-7.98	-7.52
1 Year	-4.1	-9.54	-8.9
3 Years	9.27	8.04	6.41
5 Years	11.32	8.29	8.44

**Return Since Launch 19.08%**

Note: Return up to 1 year are absolute and over 1 year are annualized

### Top 10 stock constituents of fund in percentage as on 31.07.2019

Sl. No.	Company	Sector	% Assets
1)	HDFC Bank	Financial	8.34
2)	P&G Hygiene & Health Care	FMCG	7.02
3)	State Bank of India	Financial	6.67
4)	Divi's Laboratories	Healthcare	5.57
5)	Kotak Mahindra Bank	Financial	5.18
6)	Bajaj Finance	Financial	4.57
7)	Emami	FMCG	4.46
8)	Torrent Power	Energy	4.29
9)	Bharti Airtel	Communication	4.00
10)	Alphabet Inc Class A	Technology	3.90

## **KNOWLEDGE CORNER!!!**

### **Power of Compounding**

What is compounding?: Benjamin Franklin once wrote : "tis the stone that will turn all your lead into gold Remember that money is of a prolific, generating nature. Money can beget money, and its offspring can beget more." Compounding is a simple, but a very powerful concept. It is powerful because compounding is similar to a multiplier effect since the interest that is earned by the initial capital also earns an interest, the value of the investment grows at a geometric (always increasing) rate rather than an arithmetic (straight-line) rate.

Basically, compounding is a long-term investment strategy. For example, when you own a mutual fund, compounding allows you to earn interest on your principal. Compounding also occurs when you re-invest your earnings. In the case of mutual funds, this means re-investing your interest or dividend and receiving additional units. By doing such a thing, you are earning a return on your returns and the principal. When the principal is combined with the re-invested income, your investment will grow at an increased rate.

Just like we work to earn money, money works to earn money. Unfortunately, while we work hard to earn money, most of us do not make our money work hard. Money is put to work for us, when it is invested. Every rupee invested by us works in making more money for us. Therefore, you should put every rupee you save to work to make money. If you save and invest more, you will create more wealth. More importantly, the longer you make your money work, the more wealth you will be making.

Most of us do not understand the value of time. We think there is lot of time to accomplish things, but the hard reality of life is that the clock is always ticking every second. By the time you finish reading this article, you will have less time than you had before. From a wealth creation stand point, time is the most important factor in investing, much more important than factors like market levels, valuations, current economic and political scenarios etc.

For easier understanding of this concept, let's take couple tax saver mutual fund scheme's past performance as example; (readers must note that the funds illustrated are strictly not a recommendation and are given for illustration purpose only. Also to be kept in mind that past performance is no guarantee of future results/ returns)

Fund Name	Monthly SIP Amount (Rs)	SIP Start date	SIP end date	Total Months	Total investment (Rs)	Present Worth of Investment (Rs) (Approx)
Axis Long Term Equity Fund	1000	Aug 01, 10	Aug 01, 19	109	1,09,000	2,32,070
HDFC Tax saver Fund	1000	Aug 01, 96	Aug 01, 19	277	2,77,000	67,17,250

Thus, rather than timing the market, time in the market is much more important for larger wealth creation possibilities. The best way to take benefit of compounding is to start saving and investing wisely as early as possible. The earlier you start investing, the greater will be the power of compounding.

Disclaimer  
@ All Rights Reserved

The information and opinions contained herein have been compiled or arrived at based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guarantee, representation of warranty, express or implied is made as to its accuracy, completeness or correctness. The information has appeared in various external sources / media for public use or consumption and is now meant only for members and subscribers. The views expressed and/or events narrated/stated in the said information/ news items are perceived by the respective source. All such information and opinions are subject to change without notice. This document is for information purpose only. No one can use the information as the basis for any claim, demand or cause of action. While we would endeavor to update the information herein on a reasonable basis, we do not undertake to advise you as to any change of our views expressed in this document. This report has been produced independently of the company, and forward looking statements, opinions and expectations contained herein are entirely those of Indbank and given as part of its normal research activity. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. Indbank, its directors, analysts or employees do not take any responsibility financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of the shares and bonds, changes in the currency rates, diminution in the NAVs reduction in the dividend or income, etc. IBMBS and its affiliates, officers, directors and employees including persons involved in the preparations or issuance of this report may from time to time have interest in securities there of, companies mentioned there in.

**For live and real time updates on stock market  
visit our website: [www.indbankonline.com](http://www.indbankonline.com)**



**Registered Office Address:**

No 480, First Floor, Khivraj Complex – 1, Anna Salai, Nandanam, Chennai - 600 035.

Phone : 044 - 24313094 - 97, Email : [indbank@indbankonline.com](mailto:indbank@indbankonline.com)

**Our Website: [www.indbankonline.com](http://www.indbankonline.com)**

**Editorial Team**

**Mr. Sesa Sai P L V K**  
President & Whole Time Director

**Mr. U. Rajkumar**  
Vice President (Incharge)

**Sreeram R**  
Research Analyst