



# Indbank Online

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## What's New!!!

### Economic & Business Updates

**India's GDP shrinks 24% in second quarter:** Gross domestic product shrank by a record 23.9 percent in April-June from a year earlier, compared with a Reuter's poll that forecasted an 18.3 percent contraction.

**Supreme Court gives telecom companies 10 years to pay dues, orders 10% upfront payment:** The Supreme Court delivered its verdict in the matter pertaining to the repayment of adjusted gross revenue (AGR) dues by telecom companies on 1<sup>st</sup> September 2020. The bench of Justices Arun Mishra, S Abdul Nazeer and MR Shah allowed a 10-year timeline for payment of AGR dues by telecom companies, which will begin from April 1, 2021. The companies are required to make an upfront payment of 10 percent of the dues.

**Government Bans 118 Chinese Apps and Games Including PUBG Mobile, Apus Launcher, Rules of Survival:** PUBG Mobile, Apus Launcher, Rules of Survival, and 115 other Chinese apps and games have been banned in India. The new app ban comes just a little over a month after the government imposed a ban on 47 Chinese apps that followed the blocking of TikTok and 58 other apps in the country. The apps banned by the government are claimed to be "prejudicial to sovereignty and integrity" of the country.

**Acquisition of Future Group business is credit positive for RIL says Moody's:** Global rating agency Moody's Investors Service said in a note, that Reliance Industries' (RIL) acquisition of Future Enterprise's (FEL) consumer business for a purchase consideration of around \$3.3 billion is credit positive.

**Adani Green ranked largest solar power developer:** Mercom Capital ranked the Adani Group as the largest global solar power generation asset owner in terms of operating, under construction and awarded solar projects. Adani's renewable energy portfolio exceeds the total capacity installed by the entire United States solar industry in 2019, the company said in an exchange filing.

**India's online learning platform Unacademy raises \$150 million, company valued at \$1.45 billion valuation:** Bangalore-based online learning startup announced it has raised \$150 million in a new financing round that valued the Facebook-backed firm at \$1.45 billion.

**Japanese company claims it's close to making flying cars a reality:** SkyDrive, a Japanese engineering company, recently gave a test demonstration of its manned flying car. Company says the product could be put in the market for sale by 2023 and is likely to cost around \$300,000.

**Our Centralised Dealing Room Contact No: 044 - 42021368, 24313087, 24321232.**

## **President Desk**



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

I am overwhelmed in taking over as President of our company and addressing you all through this edition of our company's in-house newsletter.

Markets globally are witnessing larger upward momentum on back of FED's timely stimulus announcements in support of economy and insulating the same from adverse effects of pandemic.

With the current situation of uncertainty mostly factored in, markets are finding it difficult to retrace any part of the post March rally. In spite of the virus cases continuing to rise globally, seems like most markets globally are taking the same in its stride and moving higher on back of liquidity. Majority of the countries are now coming in terms of dealing with the pandemic and have significantly involved in the process of improving their health infrastructure, thereby alleviating the panic that existed couple of months back. This is leading to bolder opening of economies with few 'on and off' hiccups which are required to have absolute control of the situation.

Alongside, news about the development of a vaccine appears to be promising, providing fodder to the bulls. If the record stimulus package announced so far globally was not enough to cheer investors, there is more to come with the US government working on a huge stimulus in the course of the weeks to come as per the latest announcements made by President of United States of America.

Trading activity in stocks has gone up significantly in recent times, especially after the covid-19 crisis broke out. You need to be mindful of the new rules on upfront margin requirements laid down by the Securities and Exchange Board of India (SEBI) regarding stock trading, which has come into force starting this month.

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

### Snap Shots

<i>Inflation (WPI) (%)</i>	-0.58% <i>(July 2020)</i>	-1.81% <i>(June 2020)</i>	-3.21% <i>(May 2020)</i>	- * <i>(April 2020)</i>
<i>Inflation (CPI) (%)</i>	6.93% <i>(July 2020)</i>	6.09% <i>(June 2020)</i>	- * <i>(May 2020)</i>	5.84% <i>(April 2020)</i>
<i>India Industrial Production (IIP) (%)</i>	Not yet released <i>(July 2020)</i>	-16.6% <i>(June 2020)</i>	Not released <i>(May 2020)</i>	-16.7% <i>(March 2020)</i>
<i>Particulars</i>	28-Aug-2020	21-Aug-2020	14-Aug-2020	07-Aug-2020
<i>91-Day Cut-off (%)</i>	3.24	3.15	3.27	3.28
<i>10-yr G-Sec yield (%)</i>	6.15	6.09	5.96	5.85
<i>USD/INR(Rs)</i>	73.35	74.88	74.77	74.96
<i>EUR/INR (Rs)</i>	87.07	88.86	88.39	88.78

\*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 29.08.2020</b>	<b>Index as on 31.07.2020</b>	<b>Variation (%) (Inc/ Dec)</b>
<i>SENSEX</i>	<i>India</i>	39,467.31	37,606.89	4.95
<i>NIFTY 50</i>	<i>India</i>	11,647.60	11,073.45	5.18
<i>NASDAQ</i>	<i>United States</i>	11,695.63	10,745.27	8.84
<i>DJIA</i>	<i>United States</i>	28,653.87	26,428.32	8.42
<i>S&amp;P 500</i>	<i>United States</i>	3,508.01	3,271.12	7.24
<i>Hang Seng</i>	<i>Hong Kong</i>	25,422.06	24,595.35	3.36
<i>Nikkei 225</i>	<i>Japan</i>	22,882.65	21,710.00	5.40
<i>Shanghai Composite</i>	<i>China</i>	3,403.81	3,310.01	2.83
<i>Straits Times</i>	<i>Singapore</i>	2,539.63	2,529.82	0.39
<i>FTSE 100</i>	<i>United Kingdom</i>	5,963.57	5,897.76	1.12
<i>CAC 40</i>	<i>France</i>	5,002.94	4,783.69	4.58
<i>DAX</i>	<i>Germany</i>	13,033.20	12,313.36	5.85

### Sector-wise performance (August 2020)

Sector	Market-Cap (Rs in Crores)	Change	No. of stocks Advanced	No. of stocks Declined
Agri	1,37,289	15.71%	15	46
Alcohol	77,429	-9.89%	2	7
Automobile & Ancillaries	9,60,782	-30.75%	7	106
Aviation	45,972	-17.21%	0	3
Banks	19,34,776	-41.45%	4	27
Capital Goods	2,71,899	-32.04%	8	74
Chemicals	6,85,006	26.59%	30	68
Construction Materials	3,64,576	-14.06%	4	52
Consumer Durables	1,49,969	12.93%	7	20
Containers & Packaging	8,560	-6.71%	2	8
Diamond & Jewellery	1,22,679	-2.43%	5	8
Diversified	1,70,535	-28.85%	4	16
Electricals	18,174	-51.98%	2	21
ETF	17,554	-22.90%	32	14
Finance	11,05,374	-12.09%	18	90
FMCG	14,26,393	19.79%	14	25
Footwear	34,806	73.51%	2	3
Healthcare	10,31,894	33.36%	44	50
Hospitality	30,127	-51.62%	1	23
Industrial Gases & Fuels	1,05,849	-15.32%	3	3
Infrastructure	2,65,739	-34.70%	1	57
Insurance	3,73,881	2.34%	4	2
Logistics	67,875	-39.02%	2	28
Manufacturing	13,024	-26.82%	1	5
Media & Entertainment	70,060	-53.75%	3	33
Metals & Mining	5,62,653	-40.01%	11	88
Miscellaneous	98,283	-17.58%	5	37
Oil & Gas	17,26,462	29.71%	1	13
Paper	8,076	-57.89%	0	22
Photographic Products	14	-80.56%	0	1

Plastic Products	58,999	-9.10%	4	23
Power	3,60,722	-23.29%	6	25
Real Estate	1,44,808	-38.59%	1	54
Retailing	2,05,214	32.03%	3	10
Ship Building	4,660	-34.12%	0	1
Software & IT Services	18,71,710	35.66%	32	58
Telecom	4,12,959	-23.23%	6	15
Textiles	90,369	-39.19%	5	97
Trading	51,431	-4.12%	1	15

### Institutional Investments

Category	Debt/Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments August 2020	Equity	150,800.18	112,953.64	37,846.54
	Debt	23,998.88	27,157.52	-3,158.64
Mutual Fund August 2020	Equity	46,563.18	55,902.20	-9,339.02
	Debt	126,680.74	104,779.18	21,901.56
FII Derivative Trades (Rs. in Crores) August 2020	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	89,322.91	4,429,187.97	376807.43	121143.37
-Sell	92,088.54	4,416,476.32	388979.28	120662.16

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Axis Global Equity Alpha Fund of Fund	04-Sep-2020	18-Sep-2020	5,000	Open Ended
Union Medium Duration Fund	24-Aug-2020	07-Sep-2020	5000	Open Ended

## Forthcoming Corporate Action

Symbol	Company Name	Purpose	Ex-date	Record date
RAJPALAYAM	RAJAPALAYAM MILLS LTD.	Dividend - Rs. - 1.00	08-Sep-20	09-Sep-20
GSPL	GUJARAT STATE PETRONET LTD.	Dividend - Rs. - 2.00	09-Sep-20	10-Sep-20
GUJGAS	Gujarat Gas Ltd	Dividend - Rs. - 1.25	09-Sep-20	10-Sep-20
HSIL	HSIL LTD.	Dividend - Rs. - 3.00	09-Sep-20	-
IGARASHI	IGARASHI MOTORS INDIA LTD.	Final Dividend - Rs. - 1.20	09-Sep-20	-
SCI	SHIPPING CORPORATION OF INDIA LTD.	Final Dividend - Rs. - 0.75	09-Sep-20	-
TNPL	TAMIL NADU NEWSPRINT & PAPERS LTD.	Final Dividend - Rs. - 6.00	09-Sep-20	-
UFLEX	UFLEX LTD.	Dividend - Rs. - 2.00	09-Sep-20	-
AARTIIND	AARTI INDUSTRIES LTD.	Final Dividend - Rs. - 1.00	10-Sep-20	11-Sep-20
HEIDELBERG	HEIDELBERGCEMENT INDIA LTD.	Final Dividend - Rs. - 6.00	10-Sep-20	11-Sep-20
HUDCO	Housing and Urban Development Corporation Ltd	Final Dividend - Rs. - 2.35	10-Sep-20	12-Sep-20
PFS	PTC INDIA FINANCIAL SERVICES LTD.	Final Dividend - Rs. - 0.45	14-Sep-20	-
PTC	PTC INDIA LTD.	Final Dividend - Rs. - 5.50	14-Sep-20	-
MGL	Mahanagar Gas Ltd	Special Dividend - Rs. - 15.00	16-Sep-20	-
APOLLOHOSP	APOLLO HOSPITALS ENTERPRISE LTD.	Final Dividend - Rs. - 2.75	17-Sep-20	-
IGL	INDRAPRASTHA GAS LTD.	Final Dividend - Rs. - 2.80	17-Sep-20	-
LICHSGFIN	LIC HOUSING FINANCE LTD.	Dividend - Rs. - 8.00	17-Sep-20	-
NHPC	NHPC LTD.	Final Dividend - Rs. - 0.32	17-Sep-20	18-Sep-20
LAURUSLABS	Laurus Labs Ltd	Stock Split From Rs.10/- to Rs.2/-	29-Sep-20	30-Sep-20

## 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
Punjab & Sind Bank	12.15	Buy	11-12	8	15	Medium term
Themis Medicare	345	Buy	335-345	310	370-380	Medium term

\* Short term – 3 to 6 months, Medium term – 6 to 12 months, Long term – 12 months and above, CMP as on 04.09.20.

### Crude and Rupee check

Crude opened at \$ 43.61 in August. Crude price continued to witness recovery in prices from earlier fall in price. Crude closed at \$ 45.28. Rupee closed at Rs 73.25 on 31<sup>st</sup> August, 2020.

#### Brent crude price movement:



#### USD-INR price movement:



## **ETF Corner**

Scheme for the Month : Nippon India ETF Gold Bees

Level of Risk : Moderately High

### **Objective**

The fund aims to provide returns that closely correspond to the return provided by the price of gold through investment in physical gold. The reason for performance variance of the scheme from that of domestic price of gold may be due to expense and other related factors.

### **Trailing Returns**

Trailing Returns (%)	Fund (%)	Domestic Gold
YTD	30.4	31.34
1-M	-3.91	-3.67
3-M	9.74	10.03
1-Y	27.66	28.89
3-Y	18.71	19.92
5-Y	12.91	14

### **ETF Details**

Last Traded Price : NSE	44.65 (as on 04.09.2020)
Last Traded Price : BSE	44.64 (as on 04.09.2020)
Fund House	Nippon India Mutual Fund
Launch Date	08-Mar-2007
Return Since Launch	12.33%
Benchmark	Domestic Price of Gold
Type	Open-ended
Assets Under Management	₹ 4,968 Cr (As on 30-Jun-2020)
Expense	0.79% (As on 31-Jul-2020)
Underlying asset	Gold



## **Knowledge corner!!!**

### **Understanding the new margin rules introduced by SEBI:**

The new margin rules for the cash segment of the stock market and margin pledge /re-pledge came into force on Tuesday, 1st September 2020. The major changes as compared to the existing process is as follows;

1. An upfront margin is required in Cash Segment for both intraday and delivery trades.
2. The margin shortage penalty will be applicable to the cash segment.
3. The upfront margin can be made through the new process of margin pledge and re-pledge.
4. Shares lying in the demat account of the client, cannot be considered for granting limit/exposure. The trading exposure will be granted to the clients only on the credit balance and the value of the pledged shares after appropriate haircuts.

The new rules, postponed twice in the past, came into effect after SEBI rejected a request from the industry to give a further extension.

### **Here is all you want to know about the new process of margin pledge:**

The Shares pledged for margin will continue to remain in the client demat account and can be directly pledged to the clearing corporation. Now clients need to authorize a pledge request in favour of IBMBSL, which will then re-pledge it with the clearing corporations for allowing the client to meet upfront margin requirement and exposure. We have a system in place to do this, below are the steps:

1. One time pledging of shares will be initiated by IBMBS to all POA clients or the client himself/ herself generate a pledge request for available securities by using IDEAS / Speed-E of NSDL.
2. The client will receive an email/SMS from NSDL to authenticate the request with a link.
3. The link will take the client to his specific NSDL page to verify all details. The client might be asked to provide PAN and an OTP to approve the request.
4. If approved successfully, the client's stocks will be pledged with IBMBSL and exposure as well as margin will be provided to the pledged shares after haircut value.

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