

Leveraged Growth

MONTHLY SNAPSHOT NOVEMBER 2020

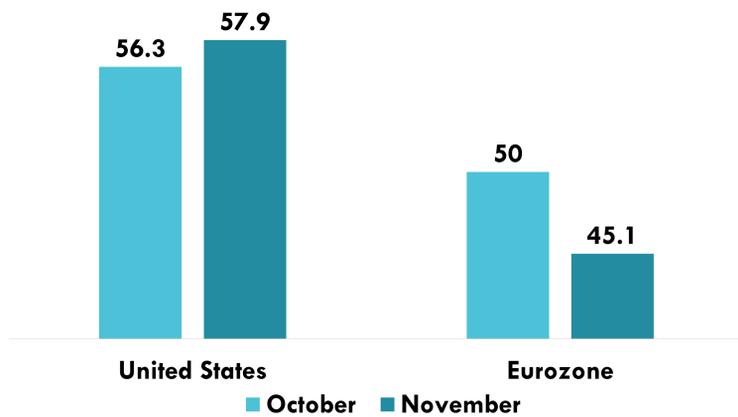
World Bank Comes to Nepal's Rescue

Earlier this month, World Bank approved a \$80 mn project to strengthen Nepal's agricultural sector by boosting rural market linkages and encouraging entrepreneurship to support post-pandemic recovery. Nepal and the World Bank signed another project worth \$150 mn to finance strategic infrastructure and bolster urban governance. Another \$200 mn was offered by the bank to enhance financial sector stability and increase access to financial services.

US Business Activity Picks Up Pace while Europe Still Struggles

The U.S. Composite PMI for November 2020 revealed that business activity has been growing at its fastest rate in over five years, with a 68-month high. While the Europe business activity is heading towards a double-dip recession with its 6-month low. The service industries' performance contributed the most to the difference between the two economies. While the US witnessed the highest level since March 2015, Eurozone shrank for the third consecutive month owing to the introduction of new lockdowns to limit the second wave of COVID-19.

PMI Indices



Source: IHS Markit

Japanese Firms' Manufacturing Base Shifted from China to India

The Japanese Government will be assisting Toyota-Tsusho and Sumida in shifting their manufacturing base from China to either Japan, India or Bangladesh. This move comes two months after India, Japan and Australia decided to launch a Supply Chain Resilience Initiative (SCRI). SCRI is a trilateral framework to reduce their dependency on China and develop industrial parks, a mechanism to address trade and investment barriers, and improved air and sea connectivity.

Fifteen Asia-Pacific Nations Sign the World's Largest Free Trade Agreement

The Regional Comprehensive Economic Partnership (RCEP) was signed virtually on the sidelines of the annual summit of the Association of Southeast Asian Nations (ASEAN). It was signed by all the member nations of 'ASEAN plus Six' except India. The 15 member countries account for about 30% of the world's population (2.2 billion people) and 30% of global GDP (\$26.2 trillion) as of 2020, making it the largest trade bloc in history. The trade pact intends to help pandemic-weakened economies by reducing tariffs, strengthening supply chains, and codifying new e-commerce rules. India pulled out of the agreement last year in November on concerns that elimination of tariffs under RCEP would flood the Indian markets with imports posing a potential threat to domestic producers.



China halts Ant Group's Record IPO

Ant Group's record-breaking dual listing IPO was suspended by the Chinese regulators, days before its debut on the bourses. The \$34.5 billion IPO had received nearly \$3 trillion worth of bids from the retail investors. Shanghai Stock Exchange first announced the suspension citing regulatory changes in fintech space and possible failure to meet disclosure requirements, prompting Ant to also freeze the Hong Kong listing. These events took place after China's financial regulators summoned founder Jack Ma and other top executives on November 2.

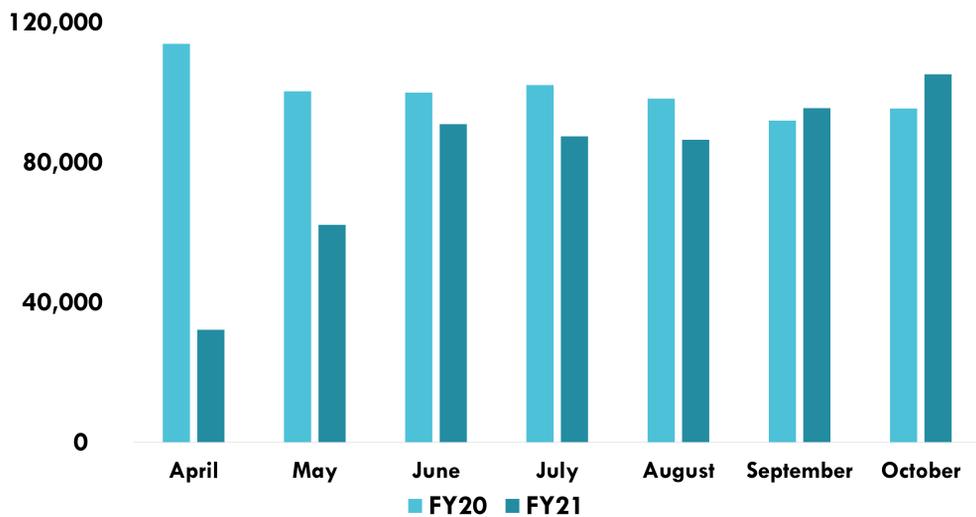
The Unanimous Decision of Zero Interest Rates

Fed has decided to keep its benchmark interest rate between 0 to 0.25%. Fed believes that the economic activity and employment are growing but haven't reached the pre-COVID levels yet. It has further changed its view on the financial conditions to "remain accommodative" from the conditions "have improved."

INDIA INC.

GST Collection Crossed ₹1 trillion for the First Time Since February 2020

GST Collection (₹ Crore)



Source: Ministry of Finance

GST Collections in October 2020 crossed ₹1 lakh crore mark for the first time in FY2021, suggesting a revival in the economic activity. It grew 10.25% YoY and 10.13% MoM. GST revenues had previously crossed the ₹1 lakh crore mark in February 2020, when total collections were ₹1.05 lakh crore.

Lowest Salary Hike in 25 years

As per Aon's latest Salary Trends Survey in India, 87% companies plan to give salary hikes in 2021 vs 71% in 2020. Therefore, the average salary hike is expected to be 7.3% in 2021 vs 6.1% in 2020. The 6.1% hike is the lowest level seen in 25 years of the survey. The prior lowest average salary hike was recorded at 6.3% during the Global Financial Crisis in 2009. Real estate, hospitality, infrastructure and engineering services might offer the lowest hikes.

BPCL Buyout

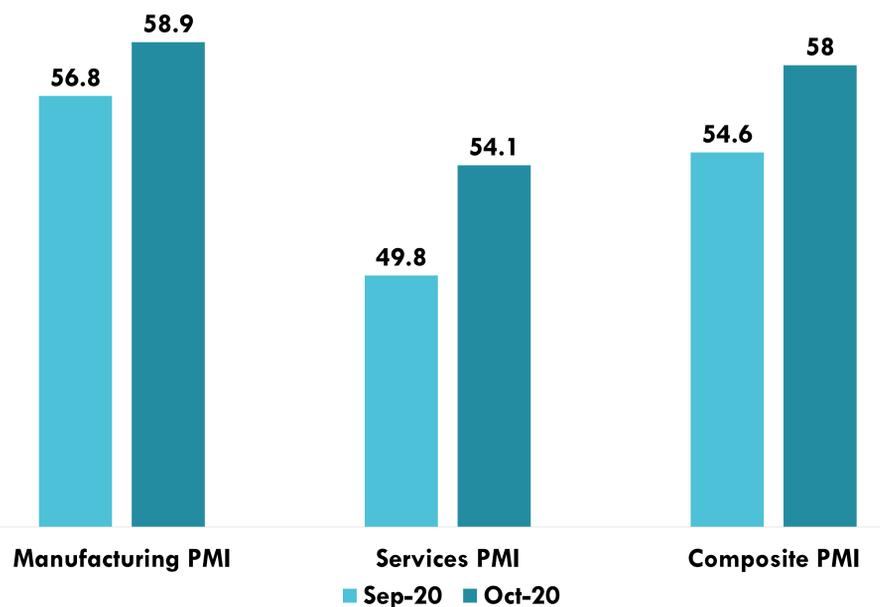
The strategic stake sale of Bharat Petroleum Corporation Limited (BPCL) by the Government received numerous expressions of interest (EoIs) from global and domestic bidders. The Government's 52.98% stake in BPCL is worth ₹47,430 crore. It has been willing to close the sale before 31st March, 2021 to meet its divestment target of ₹2.1 lakh crore. However, Gol recently admitted that it won't be able to meet the divestment target of the current fiscal year, the primary reason being continuous delays in the stake sale process due to the pandemic. Gol has further decided to retain its ₹12 lakh crore borrowing limit for the full year, that was previously set at ₹7.8 lakh crore but increased due to the pandemic.

CCI Approves Reliance-Future Deal

Competition Commission of India (CCI) has approved the acquisition of Future Group's retail, wholesale, logistics, and warehousing business by Reliance Industries' retail arm. This is a huge setback for Amazon as it believes that Future group breached certain provisions that were decided during its deal with Future. Amazon, which owns a 49% stake in Future Coupons, which in turn owns a 9.82% stake in Future Retail, claimed that Future Retail has violated its contractual agreement by selling assets to Reliance.

PMI Data Indicates Economic Revival is on Track

India PMI Indices



Source: IHS Markit

The Manufacturing Purchasing Managers' Index (PMI) in October indicated the strongest improvement in the sector's health in over a decade.

The manufacturing companies increased their output to the extent not seen in last 13 years amid robust sales growth.

The Services PMI expanded in October for the first time in eight months. Service companies reported an increase in new order intakes, which they attributed to successful marketing efforts and strengthening demand.

Thus, the Composite Output Index (Composite PMI), which is a weighted average of the Manufacturing Output Index and the Services Business Activity Index, also jumped in October.

For all the above indices, a reading above 50 indicates an overall expansion compared to the previous month.

GOVT. POLICIES

Atmanirbhar Bharat 3.0

On 12th November, the Union Finance Minister Nirmala Sitharaman introduced Atmanirbhar Bharat 3.0, and announced a stimulus package of ₹2.65 lakh crore. This included 12 big announcements regarding fund allocation and credit guarantees to real estate, rural employment, Atmanirbhar Bharat Rozgar Yojana and the COVID vaccine, among others.

Breakup of Atmanirbhar 3.0 Package (in ₹ Crore)



Source: Economic Times

The total stimulus package announced by the Centre and the Reserve Bank of India (RBI) as of now, stands at ₹29.87 lakh crore, which is 15% of India's GDP.

25% Extra Relief under ABVKY

On 8th November, the Employee State Insurance Corporation (ESIC) extended the deadline of Atal Beemit Vyakti Kalyan Yojana (ABVKY) from July 1, 2020 to June 30, 2021. The rate of relief has also been increased from 25% to 50% of the average daily earnings. This scheme was started in 2018, under which the Gol provides a fraction of the daily wages for 90 days. It acts as a relief measure to those employees who have lost their jobs. Hence, the above tweaks were made seeing an upsurge in unemployment due to COVID-19.

Successful Collection of Dues under Vivad se Vishwas

The Gol has gathered around ₹72,480 crore as of November 2020 through Vivad se Vishwas, a direct tax dispute resolution initiative. These collections have been from taxpayers and Central Public Sector Undertakings (CPSUs). For CPSUs settling their disputes, the dues are around ₹1 lakh crore. Last month, the Gol had extended the deadline for making the payment to March 31, 2021.

Relief for Home Buyers

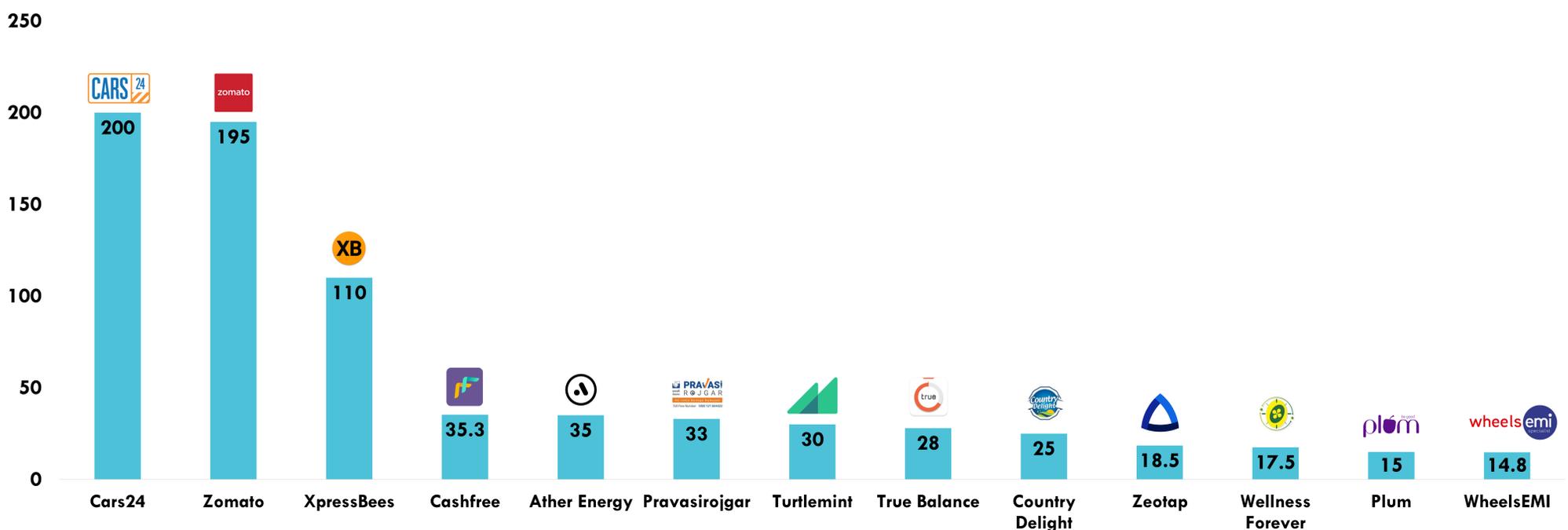
Under Atmanirbhar 3.0, the Gol relaxed income tax rules by increasing the difference between the circle rate (government-define value of a property) and the agreement value from 10% to 20%. This will be applicable till June 30, 2021, only for primary sale of residential units of value up to ₹2 crore. This would end up providing relief to home buyers and developers.

Production-Linked Incentive Scheme

To boost the manufacturing sector, the Gol approved the Production-Linked Incentive (PLI) scheme for 10 key sectors worth up to ₹1.46 lakh crore for a five-year period. The policy is aimed at attracting investments, enable companies to become part of the global supply chain, and generate employment opportunities. The Gol had already announced a ₹51,311 crore PLI scheme for 3 sectors. With this additional scheme for 10 sectors, the total PLI scheme reached around ₹2 lakh crore. The biggest beneficiary of this scheme will be the Automobiles and Auto components sector, which will be receiving incentives worth ₹57,042 crore.

START-UP NEWS

Major Fundings raised by Startups for the period of 2nd November to 28th November 2020 (\$ Million)



Source: Entrackr

This month less than 60 Indian startups were able to raise close to \$900 million vs \$625.5 million funding raised by more than 70 companies in the previous month due to high investor confidence towards 'pandemic resilient' good quality companies.

Start-up India grew by 57%

The flagship scheme of the Modi Government, 'Start-up India' witnessed a substantial growth of 57% in the number of government-recognized startups. The number stood at 24,927 last year and has soared to 39,114 as of early November, according to Startup India Portal's data. The aim of the initiative as of last year was to establish 50,000 new start-ups and creation of 20 lakh direct and indirect jobs by 2024.

Zomato Raises \$195 Mn

Zomato, Indian online food ordering platform, raised \$195 million in November from 6 investors, taking its valuation to \$3.6 billion.



| Investors | Funding (\$ Million) |
|--------------------------------|----------------------|
| Luxor Capital Group LP | 60 |
| Kora Management LP | 50 |
| Mirae Asset | 40 |
| Steadview Capital | 20 |
| Bow Wave Capital Management LP | 20 |
| Baillie Gifford & Co | 5 |
| Total | 195 |

Source: Economic Times

Reliance Retail acquires a 96% stake in Urban Ladder for ₹182 crore

Reliance Industries' retail arm Reliance Retail Ventures Limited bought a 96% stake in online furniture retail startup Urban Ladder for ₹182 crore. It plans to further invest ₹75 crore in Urban Ladder by December 2023 to purchase the remaining stake. It was a distressed sale as at one point in 2018, the startup was valued at ₹1200 crore, which dropped to around ₹750 crore in 2019.

Cars24: The First Unicorn from Used Car Space Raises \$200 Mn

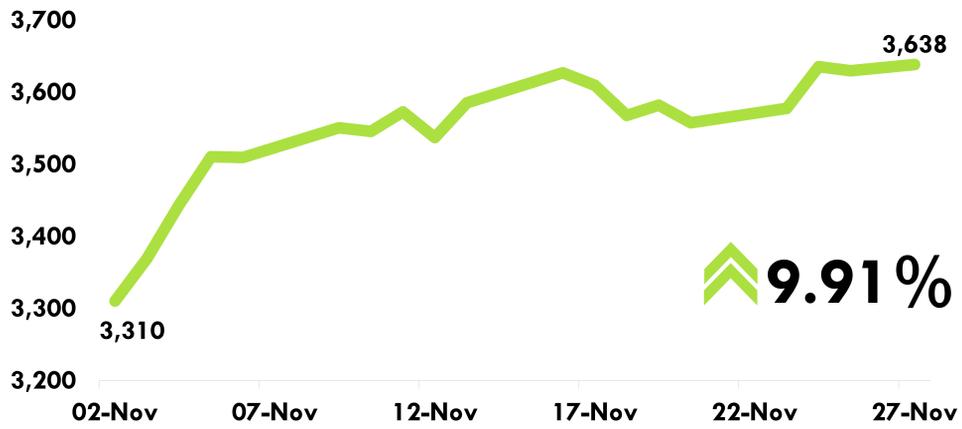
Cars24 entered the club of unicorns with a \$200 million worth Series E round led by DST Global. The company saw a 2x jump in its valuation in a year. Its transaction volume surpassed the pre-COVID volumes by more than 20% and the MoM sales stands at \$50 million with over 15,000 cars transacted every month. The ongoing pandemic has boosted the demand for personal mobility that happens to be working in the company's favour.

Flipkart Acquires Scapic

The Bengaluru-based Augmented Reality (AR) start-up Scapic has been acquired by Flipkart. Flipkart is planning to accelerate its efforts to provide deeper camera experiences, virtual storefronts and new opportunities for brand advertising on its platform. The push is further amplified due to increased online adoption and change in consumer behaviour.

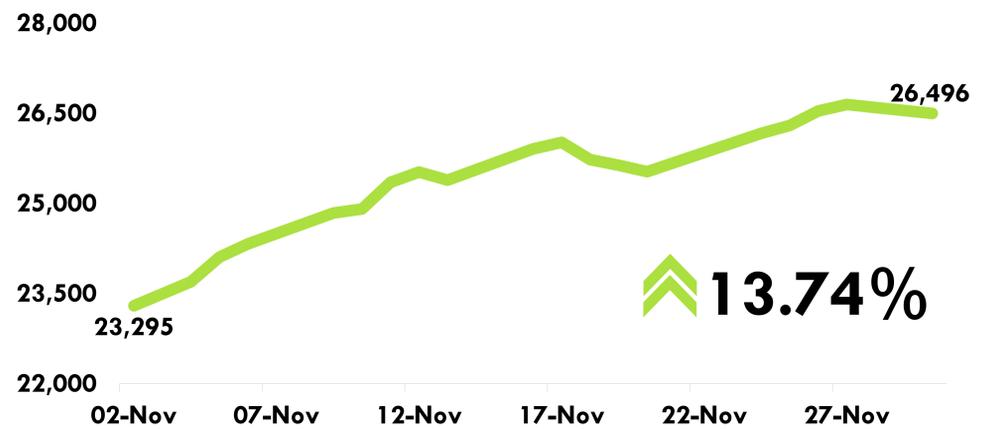
GLOBAL INDICES

S&P500 Index (in USD)



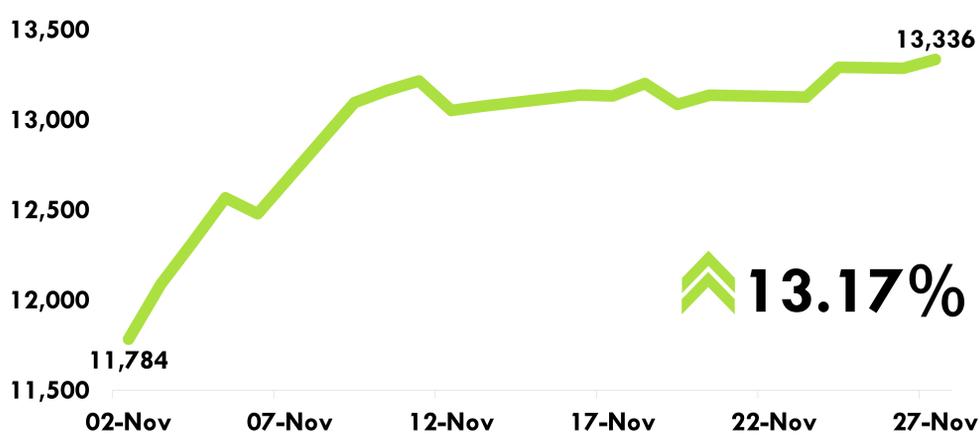
Wall Street continues to rally on the back of positive vaccine hopes. The first week of the month saw a sharp surge as the clouds hovering due to the U.S. elections faded. However, the rally was accompanied by a few dips due to the new wave of COVID-19 infections in the U.S. and the unexpected jobless claims for two consecutive weeks.

Nikkei225 (in JPY)



Nikkei 225 closed at its highest level since November 1991 owing to vaccine optimism. The 3rd week ended with a dip due to better than expected exports. This would apparently reduce the chances of stimulus from the Government or Bank of Japan and shift the responsibility of Japan's recovery on the private sector activity to boost demand.

DAX Performance Index (in EUR)



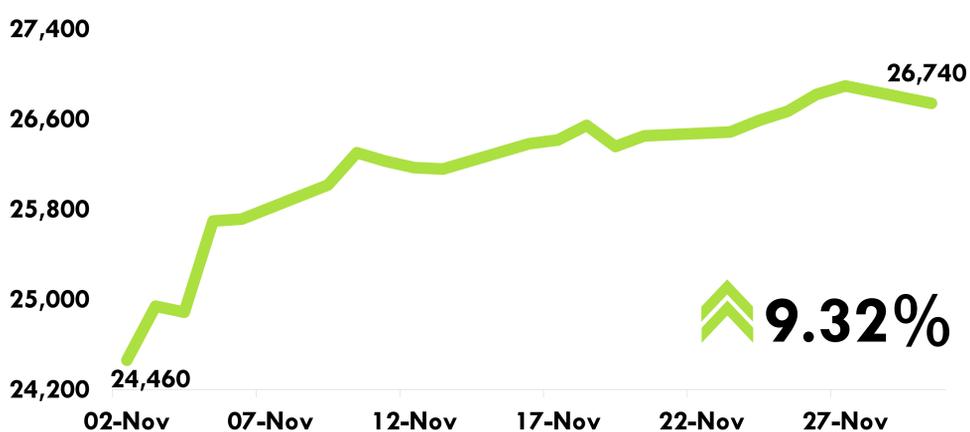
After DAX rallied for the first two weeks, the initial market excitement of the vaccine news faded. Moreover, due to the continually growing number of confirmed cases in Germany and elsewhere, the index constantly struggled to break through the resistance level in the second half of November.

FTSE100 Index (in GBP)



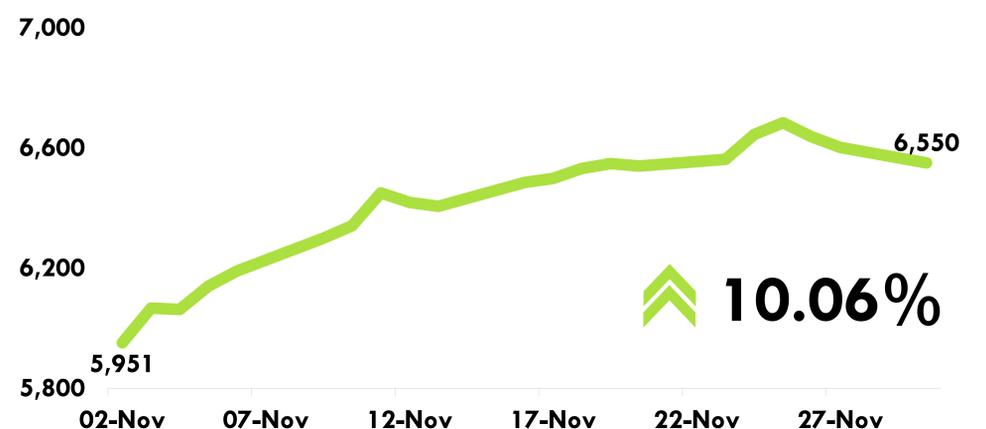
FTSE 100 reached its 5-month high level as the U.K. government announced the establishment of GP clinics to deliver 1000 COVID-19 vaccines each week, once the vaccines are approved for use.

Hang Seng Index (in HKD)



The Index jumped 3.25% on November 5, the biggest intraday rise since July 6. These huge investments came in response to the abrupt suspending of Ant Group's record breaking IPO that ended up freeing investor's blocked cash. The rally further continued due as the positive vaccine news broke through the market.

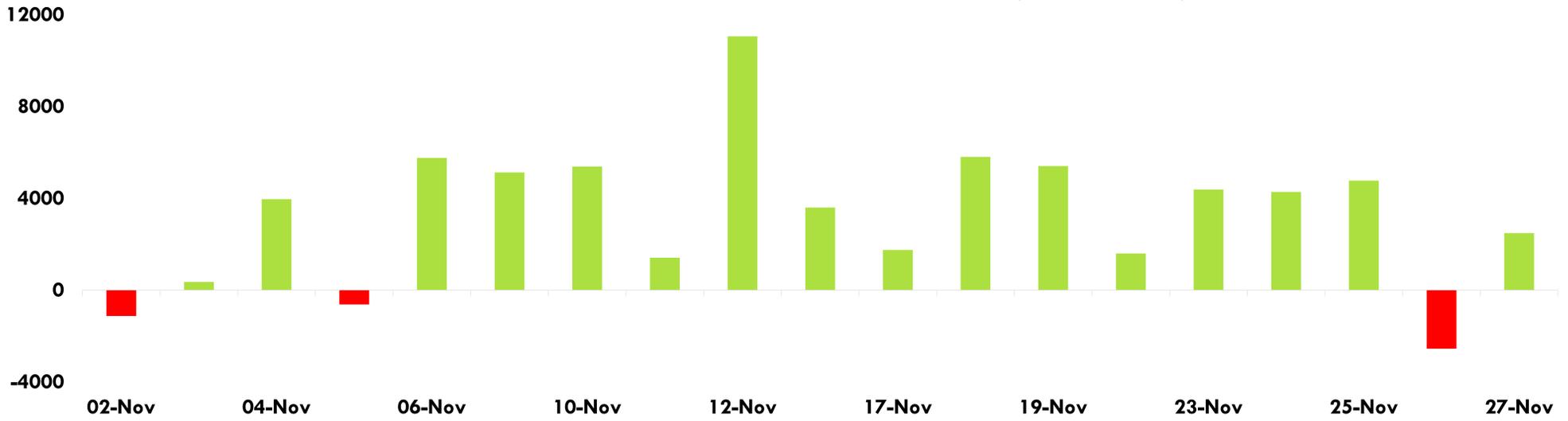
S&P/ASX200 Index (in AUD)



ASX 200 reached its highest level since February 27 in the first week of November. This was led by the policymakers' desperate attempt to revive the Australian economy. The Reserve Bank of Australia slashed bank charges while availing bank loans and interest rates to a new historic low of 0.1%. It further introduced a quantitative easing program wherein it would purchase government bonds worth \$100 billion from the banks for the next six months.

EQUITIES

FPI Net Investment in November, 2020 (In ₹ crore)



Source: NSDL

FPIs have been going long on oil & gas, capital goods and consumer durables, among others, but have had little faith on textiles and apparels, coal and pharma sectors.

MSCI's Semi-annual Index review

Morgan Stanley Capital International (MSCI) added 12 and removed 2 Indian stocks from its Global Standard Indices as a part of its semi-annual review. The same will be effective from December 1. In response to the same, FPIs buying in equities crossed the ₹60,000 crore in a month.

MSCI GLOBAL
STANDARD INDICES
CHANGES



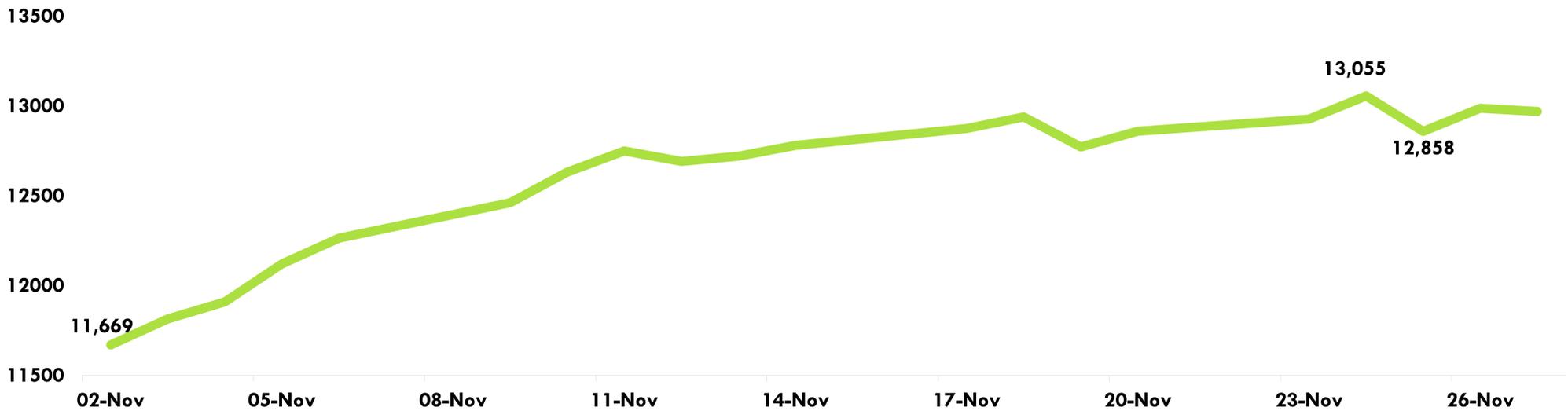
| Index | 1 st November 2020 (In ₹) | 27 th November 2020 (In ₹) | Change (%) | Trend |
|--------------------------|--------------------------------------|---------------------------------------|------------|-------|
| NIFTY Auto | 7821.80 | 8891.60 | ↑ 13.68% | |
| Nifty Bank | 24367.60 | 29609.05 | ↑ 21.51% | |
| Nifty Consumer Durables | 15893.37 | 17832.56 | ↑ 12.20% | |
| Nifty Financial Services | 11789.80 | 14293.15 | ↑ 21.23% | |
| Nifty FMCG | 29538.60 | 31718.80 | ↑ 7.38% | |
| Nifty IT | 20964.15 | 21764.90 | ↑ 3.82% | |
| Nifty Media | 1422.10 | 1503.15 | ↑ 5.70% | |
| Nifty Metal | 2350.80 | 2925.75 | ↑ 24.46% | |
| Nifty Oil & Gas | 4646.26 | 5217.53 | ↑ 12.30% | |
| Nifty Pharma | 11256.25 | 11839.15 | ↑ 5.18% | |

Source: NSE India

All the Nifty Sectoral Indices surged this month, marking the recovery of Nifty Auto, Nifty FMCG, Nifty Media, Nifty Oil & Gas & Nifty Pharma compared to the previous month. This came at the back of vaccine hopes and expected economic recovery in line.

NIFTY50

NIFTY50 November'20 (In ₹)



Source: NSE India

On 24th November, Nifty50 touched 13,000 for the first time as the rally continued thereafter. The Index has gained 11.14% this month on the back of optimistic COVID-19 vaccine trials coupled with strong inflows from Foreign Institutional Investors (FIIs). FIIs have made the highest monthly buying in November 2020 in the last two decades. The considerable increase in inflows started after the US elections and weakening of the dollar index. Another reason for such high inflows was the expected stimulus from central banks to revive the economies that have been hit hard due to the COVID-led lockdowns, India being one of the worst affected economies. Moreover, improving business activity in India, and good corporate performance in Q2FY21 have been other major factors.

Larsen & Toubro on a Spree

On 18th November, L&T rose as much as 5% as it backed one of its biggest-ever orders from Tata Steel to supply 46 units of Komatsu mining equipment. Besides this, the Company secured another 'mega' order for the Mumbai-Ahmedabad High Speed Rail (bullet train) Project earlier this month. The L&T stock has rallied all this month due to the same and gained 20.7% vs NIFTY50 that was up by 11.1%

Axis Bank-Max Life might Finally Seal the Deal by Mid-December

After the Reserve Bank of India disallowed Axis Bank to directly purchase a 17% stake in Max Life Insurance, the deal was tweaked once again. Axis Bank will now acquire a 19% stake of Max Life along with its subsidiaries – Axis Capital Limited and Axis Securities Limited.

The deal has undergone multiple tweaks since its announcement in April 2020. However, the latest deal structure is expected to get all regulatory approvals by mid-December.



Top Gainers in NIFTY50 for November'20

| Company Name | Change (%) |
|---------------------|------------|
| Bajaj Finserv | 53.6% |
| Bajaj Finance | 43.5% |
| Tata Steel | 43.3% |
| IndusInd Bank | 36.5% |
| Tata Motors | 35.8% |
| Hindalco Industries | 32.6% |
| SBI | 24.6% |
| GAIL | 22.3% |
| Mahindra & Mahindra | 21.1% |
| Kotak Mahindra Bank | 20.7% |

Source: NSE India



Top Losers in NIFTY50 for November'20

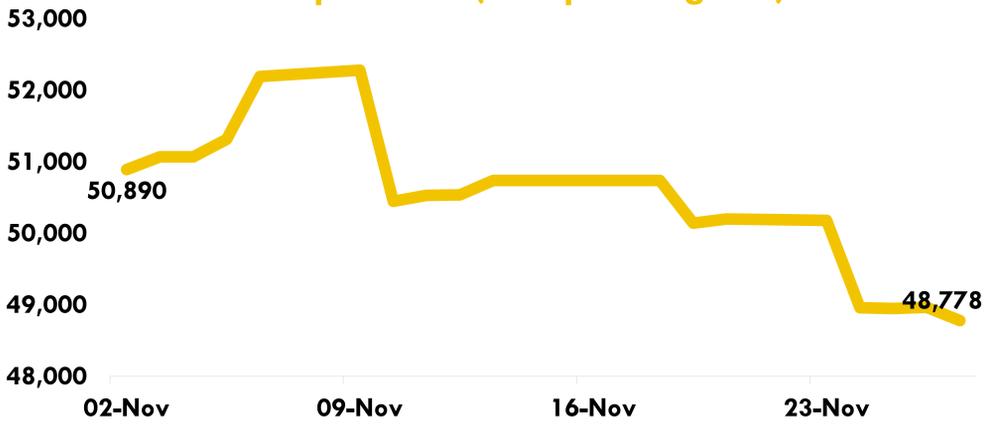
| Company Name | Change (%) |
|-------------------------|------------|
| UPL | -7.8% |
| Reliance Industries | -6.1% |
| HCL Technologies | -2.4% |
| Dr Reddy's Laboratories | -1.2% |
| Cipla | -1.2% |

COMMODITIES

Yellow Metal Losses its Shine

Gold prices rallied in the first week of November and reached a high of ₹52280 per 10gm. This was mainly due to the US election week, wherein the market was banking on a Biden victory that would give way to more stimulus programmes. This would further give way to a rise in inflation and the subsequent depreciation of dollar.

Gold Spot Price (in ₹ per 10 gram)

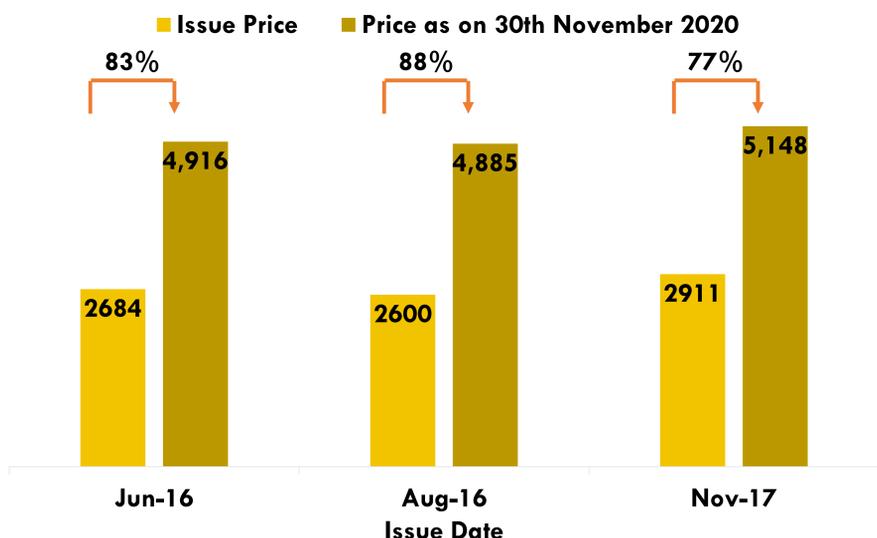


Source: MCX

However, the craze for gold seems to be finally over as the prices continued to follow the downward trajectory in the second half of November. With positive COVID-19 vaccine news and election uncertainty fading away, leading the investors shift towards riskier assets, like equities.

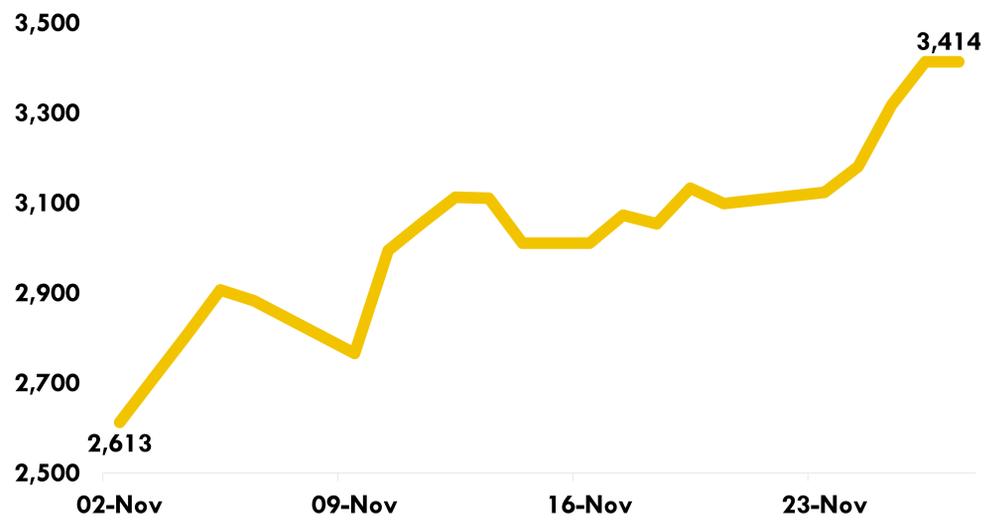
Sovereign Gold Bonds (SGB) Outpace NIFTY50 in 5 Years

Based on the latest price of SGB, the people who had invested in 2016 or 2017 have gained around 75-90% returns as of November 30, 2020. While the widely tracked equity index NIFTY50 jumped around 60% in the same span of time. Hence, SGB managed to beat the equity index with quite a significant margin. The price of the recent SGB scheme 2020-21-Series VIII that was opened for subscription on November 9 was priced at ₹5,177 per gram compared to ₹2,684 per gram when it was issued for the first time.



Source: NSE

Crude Oil Spot Price (In ₹ per barrel)



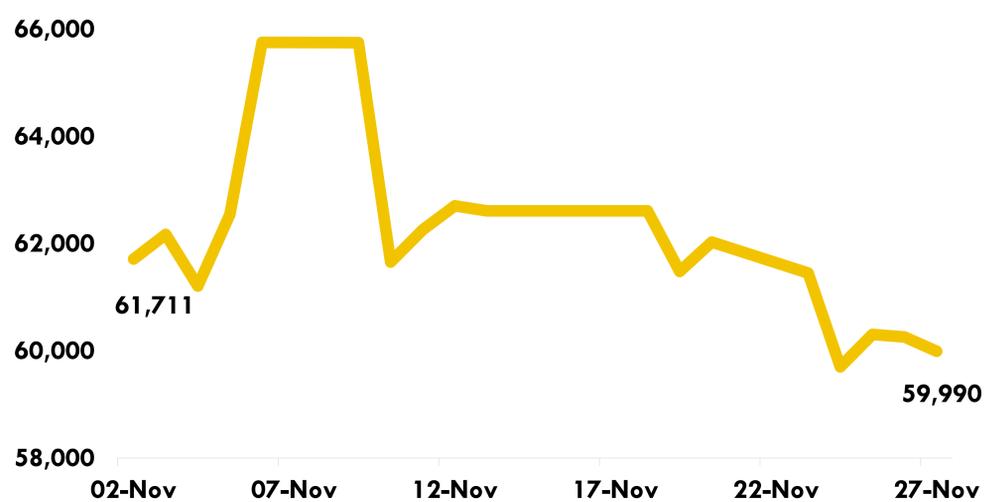
Source: MCX

The oil prices have increased by 30.7% in November 2020, and is trading at its highest level since early March. This indicates that the effects of the lockdown now seem to be fading away with air and ground travel gaining traction. The upsurge was further supported by strong oil demands in Asia and positive vaccine news. Moreover, the depreciation of the dollar ended up reducing oil prices for buyers holding other currencies. The market further believes that the OPEC+ will extend its current output targets for Q1FY21.

Silver Prices too Face the Heat

Silver prices rallied in the first week of November as market participants increased their long positions backed by a positive outlook towards industrial demand as manufacturing gained momentum in major economies. However, just like gold it saw a decline in its value at the back of positive news coming out about Covid Vaccine. Clearly festive rush for the precious metal seems to be fading away.

Silver Spot Price (₹ per 1 Kg)



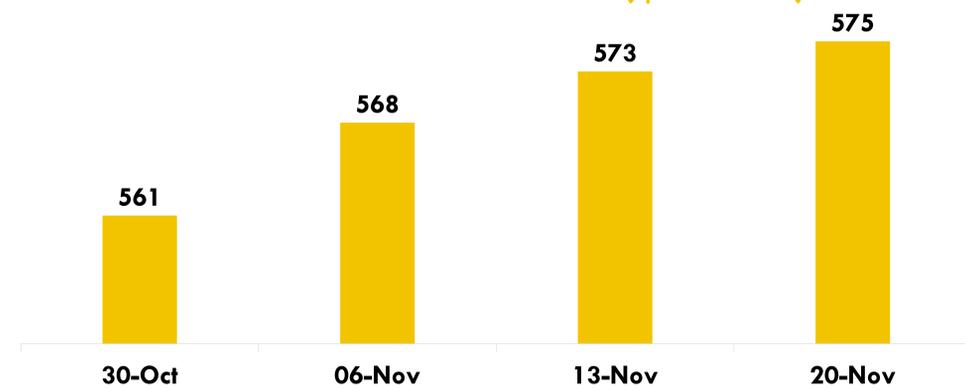
Source: MCX

CURRENCY

Rupee Gains Ground as Forex Reserves Reach an All-time High

Rupee appreciated close to 1% in November, as the FII infusions reached the highest monthly mark owing to a bullish market, leading to high foreign exchange reserves. Forex Reserves have increased by more than \$100 billion, since the announcement of lockdown in March-end and reached a lifetime record high of \$572.7 billion as of mid-November. This 22% increase was preceded by deteriorating imports of crude oil, gold and electronics accompanied by strong inflows from FIIs/FPIs in the second half of 2020.

Forex Reserves for the period 24th October 2020 to 20th November 2020 (\$ billion)



Source: Reserve Bank of India

Yen Strengthens Further

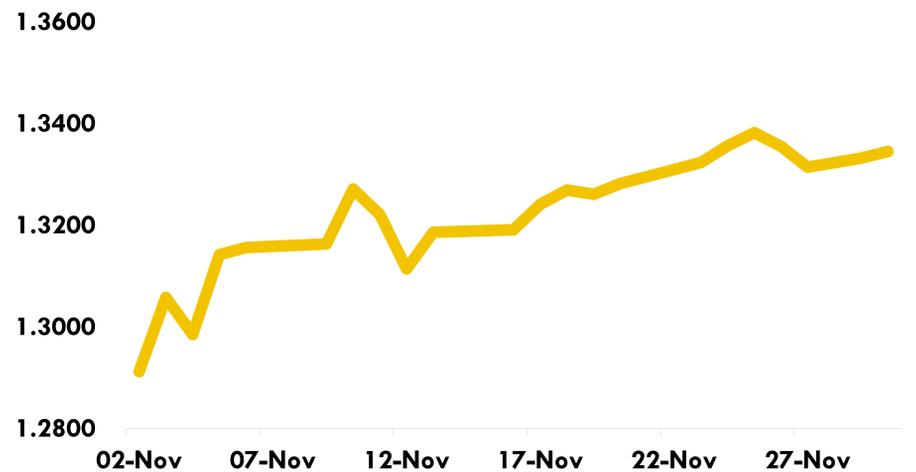
Traders started pulling their money out of yen in the first week of November as the market gained confidence. However, doubts about the AstraZeneca coronavirus vaccine ended up strengthening the currency as November ended. The appreciation of the currency due its cursed safe haven status is the last thing it needs right now as it ends up affecting the export-reliant Japanese economy.

US Dollar Index Close to 2-year Low

The index breached its 8-month support line in the 92.0 area and dropped to 91.7 as November ended. The selling pressure led to the US Dollar Index reaching close to its 2-year low. As discussed, the Biden transition, expectations of stimulus and vaccine hopes have boosted the investors' risk appetite as they started pulling their money out of dollars, that is generally considered a safe haven.

Pound Close to a 3-Month High Backed by Brexit Trade Deal

USD/GBP (November 2020)



Sterling saw a sharp decline in the first week of November, as the Bank of England (BoE) increased its bond-buying program by £150 billion which was less than market expectations. However, it rallied again as dollar weakened due to the uncertainty of the U.S. elections, vaccine hopes and optimism about the U.K.-European Union trade deal. However, due to a lack of major scheduled news on the deal, any negative signal could lead to major price swings, as the market has been expecting a positive outcome.

| Currency | 1 st November'20 | 30 th November'20 | Change (%) | Trend |
|----------|-----------------------------|------------------------------|------------|-------|
| INR/USD | INR 74.50 | INR 73.97 | ↓ 0.71% | |
| INR/EUR | INR 86.71 | INR 88.55 | ↑ -2.12% | |
| USD/EUR | USD 1.16 | USD 1.20 | ↑ 2.87% | |
| JPY/USD | JPY 104.75 | JPY 104.12 | ↓ 0.60% | |
| CAD/USD | CAD1.33 | CAD1.30 | ↓ 1.74% | |
| GBP/USD | GBP 0.78 | GBP 0.75 | ↓ 3.24% | |
| SEK/USD | SEK 8.90 | SEK 8.48 | ↓ 4.75% | |
| CHF/USD | CHF 0.92 | CHF 0.90 | ↓ 1.81% | |

Source: Investing

OTHER ASSET CLASSES

India's First Listed REIT buys Bengaluru Business Park

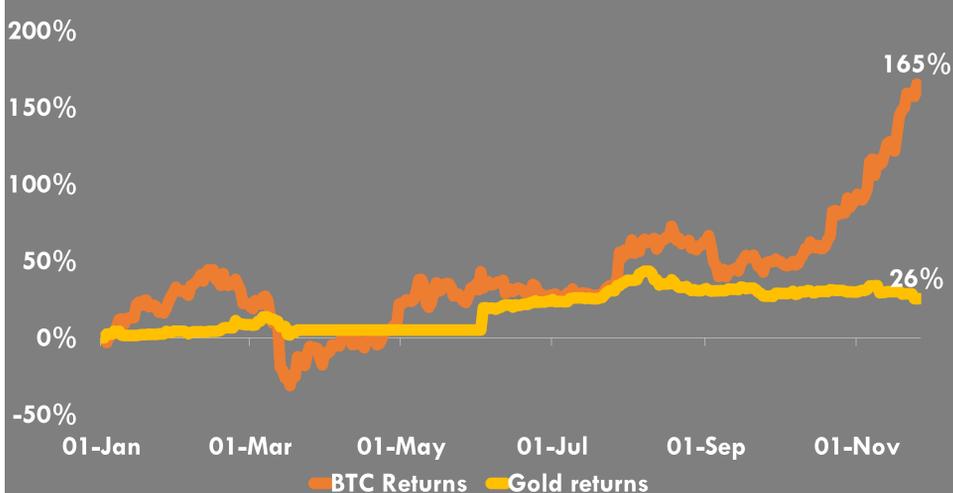
Embassy Office Parks REIT acquired a 9.2 million square feet (msf) Embassy TechVillage in Bengaluru for ₹9,782 crore. After this deal, the market capitalization of Embassy REIT stands at \$4.5 billion with developed area covering 42.4 million square feet. This makes it the largest such entity in the whole of Asia.

Embassy REIT is the first publicly-listed REIT, sponsored by the Embassy Group and Blackstone. Listed in April 2019, it owns and operates a 33.3 msf portfolio of 4 city-centre office buildings and 7 infrastructure-like office parks in the country's best performing office markets of Mumbai, Pune, Bengaluru and NCR.

Embassy Group penetrates Senior Living Space

With an initial investment of ₹380 crores, the Embassy Group has entered into a new asset class, the senior living space in a 50:50 Joint Venture (JV) with Columbia Pacific Group. The first project is expected to launch in Bengaluru with price ranging between ₹45 lakh to ₹70 lakh. The second phase will be a premium offering involving the construction of 180 homes at a project cost of ₹220 crores.

Bitcoin emerging as an Alternative Investment class



Source: Coindesk, MCX

Bitcoin (BTC) has gained more than 160% returns this year as opposed to double-digit returns provided by gold. The events that worked in favour for this operationally independent cryptocurrency were Joe Biden's presidential win, Square purchasing \$50 million in BTC and PayPal's support for crypto operations. It has been believed that the bullish run of BTC resembles the 2017 pattern.

Luxury Apartments make a Comeback

Homes have transformed into an office-cum-cinema hall-gym-cum-many other things rolled into one. The luxury apartment sales are slowly recovering owing to the work from home culture, demand from Non-Resident Indians (NRIs) and stamp duty cuts. Although the demand for residential units have come down by 33% between April to September to 42,250 units, the demand for luxury apartments have remained at 10%, according to Anarock Property Consultants.

Deals and Discounts During the Festive Season Attracted Investors

According to the Magicbricks Property Buyer's Sentiment Survey, more than 1/3rd of the buyers will only buy if there is a discount available. Types of deals and discounts include:

- Cash deals and discounts
- Freebies and accessories
- Innovative schemes
- Waiver on duty components
- Deferred payment plans

Construction Premiums Halved

In an aim to provide some relief to Maharashtra's builders, the Government is planning to reduce the construction premiums by 50% till December 31, 2021. In Mumbai, the construction premium and levies account for more than 30% of the total cost. Before the pandemic, Brihanmumbai Municipal Corporation (BMC) had estimated a collection of more than ₹3,000 crores from such levies. With pandemic bringing the construction activity to a halt, it could merely collect one-tenth of it.

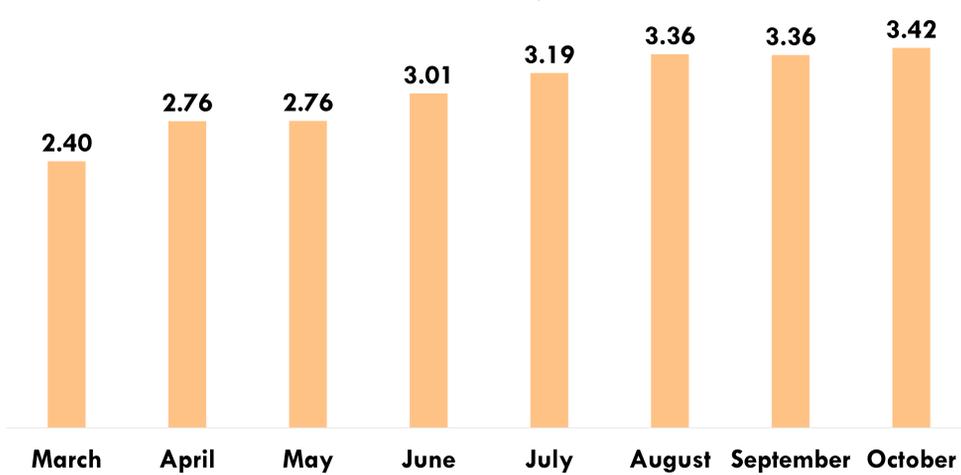
Model Tenancy Law

In an aim to boost the real estate sector especially rental homes, the Government is planning to introduce the 'Model Tenancy Law.' Housing and Urban Affairs secretary Durga Shankar Mishra highlighted that around 1.1 crore homes were vacant as per 2011 census since people feared to give their homes on rent. The law aims to eliminate such issues by appointing a district collector for rent and pressing heavy penalties on tenants for overstaying. If implemented properly by the states, this Act could end up making renting feasible for property owners and tenants.

SEBI Introduces “Flexi Cap Fund”

In September, SEBI had tweaked the rules for multi-cap funds, making it mandatory to invest at least 25% of the corpus in large, mid, and small-caps companies. Now, to provide more flexibility in equity schemes, SEBI has introduced “Flexi Cap Fund” as an additional category under the equity scheme. Under this category, at least 65% of the corpus needs to be invested in equity but will have no restrictions on investing in large, mid, or small-cap companies. Existing schemes will be able to reclassify to Flexi-cap scheme after giving the investors a 30-day exit window without any exit load.

SIP Asset Under Management 2020 (₹ Lakh Crore)



Source: AMFI

Opportunity Loss of 58% for Impatient Investors

Investors who stopped their SIPs in the last 10 months, i.e. since February 2020, in the fear of market uncertainty due to the pandemic and their impatience to stay in the market have lost the opportunity to make good returns on their investment. The annualized returns of 10-month SIP in large-cap index fund was 57.69%, while an average performing mid-cap fund gave a return of 51% for the same period. BSE Sensex lost 35% from the beginning of February to March 23, due to the lockdown. Since then the market has surged by 68%, making the month of March the best time to invest.

Kotak creates ESG Investing Opportunities

Kotak Mahindra AMC (KMAMC) launched the ‘Kotak ESG Opportunities Fund’ that started accepting subscriptions on 20th November 2020, and will close on 4th December 2020. The fund will invest across the market capitalization range and will focus on ESG principles of the investee company. KMAMC is leading the narrative of responsible investing in India by being the first AMC to sign the United Nation’s Principles for Responsible Investing (UNPRI).

Equity MFs saw Net Outflows for the Fourth Consequent Month

Equity Oriented schemes witnessed ₹2,725 crore of net outflows in October compared to ₹734 crore of in September. Experts believe that due to expected volatility ahead of US elections, the High Net Worth Individuals (HNIs) pulled out their money in October, when the markets were fairly stable. Another factor contributing to the large outflows were the redemptions from multi-cap schemes in light of the regulatory changes.

RBI Rejects the NBFC-AMC deal

Reserve Bank of India didn’t approve Muthoot Finance’s proposal to buy IDBI Mutual Fund. RBI justified its decision by stating that the activities of an AMC and the sponsorship of a mutual fund weren’t in accordance with the operations of a NBFC. Based on a recent regulatory filing, a Share Purchase Agreement was signed on November 22, 2019. The agreement involved the purchase of 100% equity shares of IDBI AMC and IDBI Mutual Fund Trustee by Muthoot Finance.

New Code of Conduct for AMCs

SEBI introduced a new code of conduct to increase the accountability of the fund managers and dealers of AMCs. The market regulator further said that the compliance of the same will be the responsibility of the CEO of the AMC. The new code of conduct would include:

- Quarterly self-certifications of compliance submitted by fund managers and dealers to the trustees
- Maintenance of records citing detailed justifications supporting the simultaneous buying and selling of certain securities
- Ensuring that orders are executed on the best possible terms, considering the relevant market at the time of the transaction
- Identifying potential or existing conflicts of interest as per their companies’ policies and disclose the same
- Cannot favour one scheme over another during security allocation or transfer any benefits by way of inter-scheme transfers

COVID UPDATES

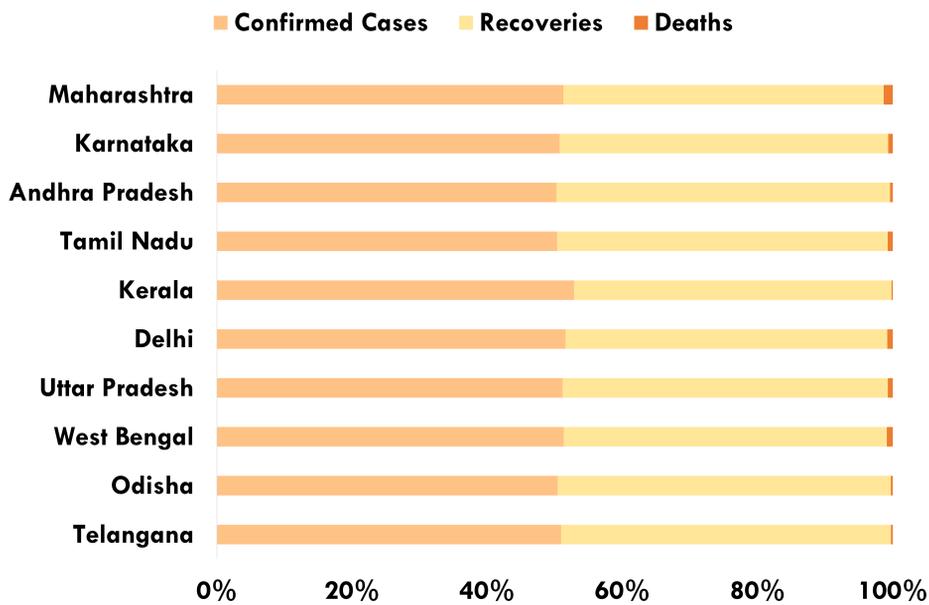


COVID cases across the Globe, data as of 30th November
63.09 million - Total no. of cases
43.56 million - Recovered
18.07 million - Active cases
 (0.6% are serious and 99.4% are in mild condition)



COVID cases in India, data as of 30th November
9.44 million - Total no. of cases
8.85 million - Recovered
0.45 million - Active cases
 (1.9% are serious and 98.1% are in mild condition)

State-wise cases in India



Source: Covid India

Delhi's Third wave of Coronavirus Cases is far from being over

The third wave of COVID-19 cases in Delhi started in the first week of November. The wave is expected to pass, provided the smog condition in the city doesn't worsen. October-November are also considered the peak months of flu in Delhi, therefore making the citizens more prone to COVID-19. The current wave has already surpassed its peak with 38,287 active cases.

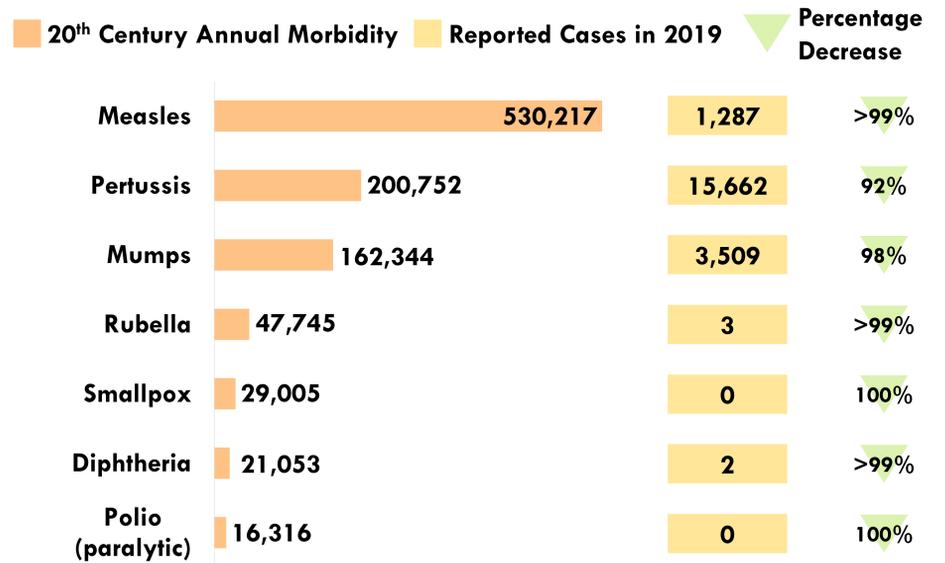
Maharashtra extends Lockdown

In response to the rising coronavirus cases, the Maharashtra government extended the lockdown restrictions till December 31. However, the guidelines issued to operationalize 'Mission Begin Again' that involves phase-wise opening and easing of restrictions will remain in force till December 31.

India may get 100 million doses of the vaccine by December 2020: SII

Serum Institute of India (SII) has said that it will have 100 million doses of vaccine ready in the month of December 2020. It is manufacturing a coronavirus vaccine named 'Covishield' developed by AstraZeneca along with Oxford University. The vaccine is currently in phase 2-3 clinical trials in the country.

Past Vaccine Efficacy Rates (U.S.)



Source: Centres for Disease Control and Prevention

Covid Vaccine Optimism

A vaccine jointly developed by US-based company Pfizer Inc and German company BioNTech was 95% effective as per the final analysis of clinical-trial data. Companies claimed that the vaccine protected people of all ages and ethnicities and had no serious side effects. Another US company, Moderna Inc announced that its vaccine was 94.5% effective in preventing Covid-19 based on late-stage clinical trial data.

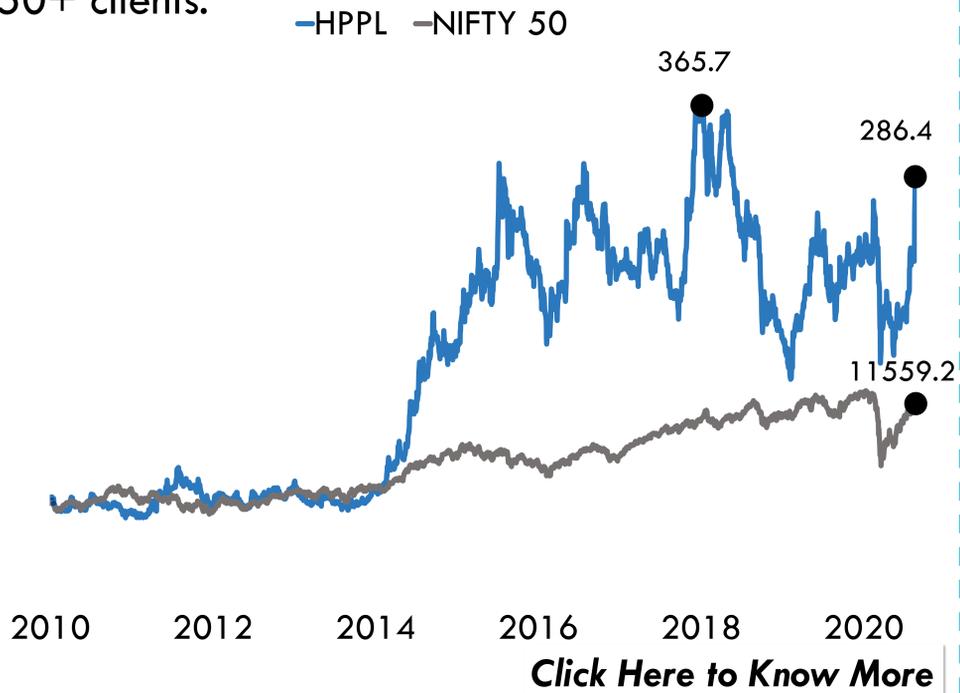
Oxford-AstraZeneca vaccine Controversy

Unlike Moderna and Pfizer, the Oxford vaccine doesn't require high-tech super-cooled facilities and can be stored at regular fridge temperature. The excitement surrounding this vaccine (due to its tie-up with Pune-based SII) faded mildly due to a manufacturing error that transpired recently. In an announcement released in the last week of November, Astra and Oxford said the vaccine was 70% effective on average. While the efficacy rate was 95% on half-dose, it came down to 62% on two full doses, the reason of the same still unknown. It has come to the notice, that the half-dose was given to some volunteers due to a manufacturing error wherein a particular batch was filled with a lower dose compared to others.

COVERAGE THIS MONTH

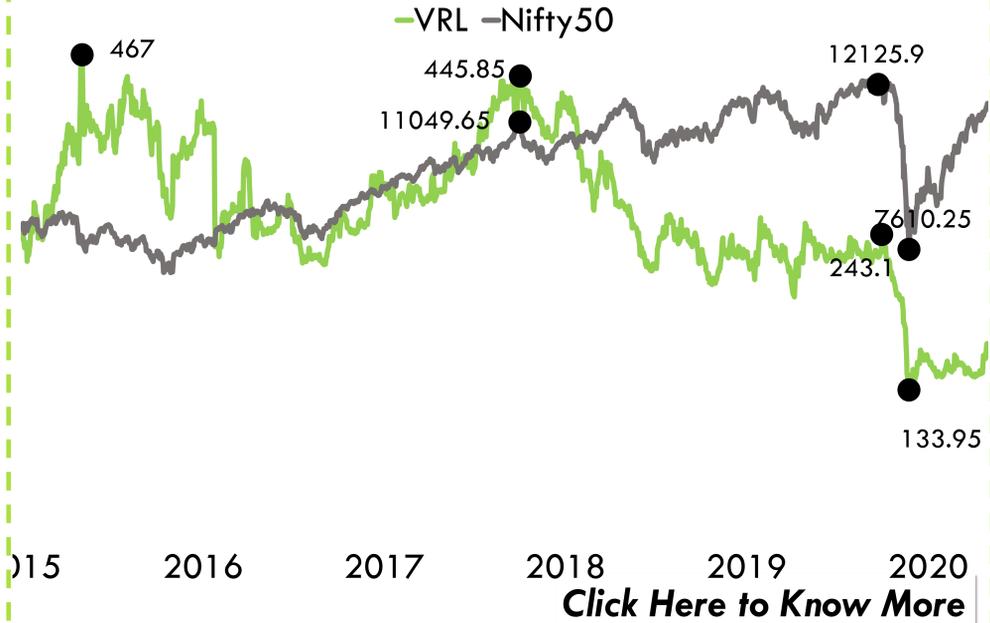
Huhtamaki PPL Limited

One of the leading players in the flexible packaging industry, Huhtamaki PPL (HPPL) holds a strong presence with its wide range of product portfolio, which has revolutionized the entire flexible packaging industry to a new level. HPPL has a global presence on 4 continents with over 50+ clients.



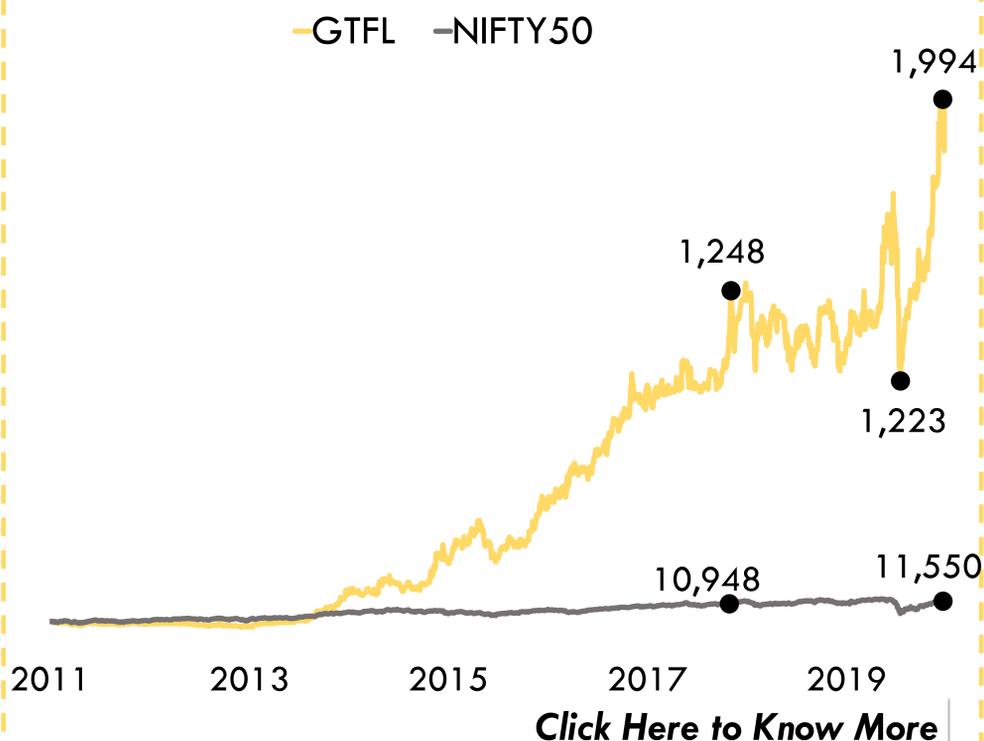
VRL Logistics Limited

Since its inception, VRL has been expanding its scale of operations in the Goods Transportation segment with its presence in 906 locations spread across 22 States and 5 Union Territories and has a special focus on B2B clients. Through its in-house research and development and cost-effective measures, VRL is set to become a pioneer in the Road Transport Industry.



Garware Technical Fibres Limited

The pandemic didn't have much impact on the Company as around 60% of the business of the Company comes from food-related industries. However, it will be interesting to see how the Company capitalizes on future opportunities as awareness and adoption of technical textile products increases in India.



Firecracker Industry of India

The 80 billion-rupee firecracker industry of India is the second-largest in the world after China. Last year, it witnessed a 30% drop, owing to unseasonal rains, slowdown-induced cash crunch and Supreme court's order to celebrate a Green Diwali, in Delhi particularly.



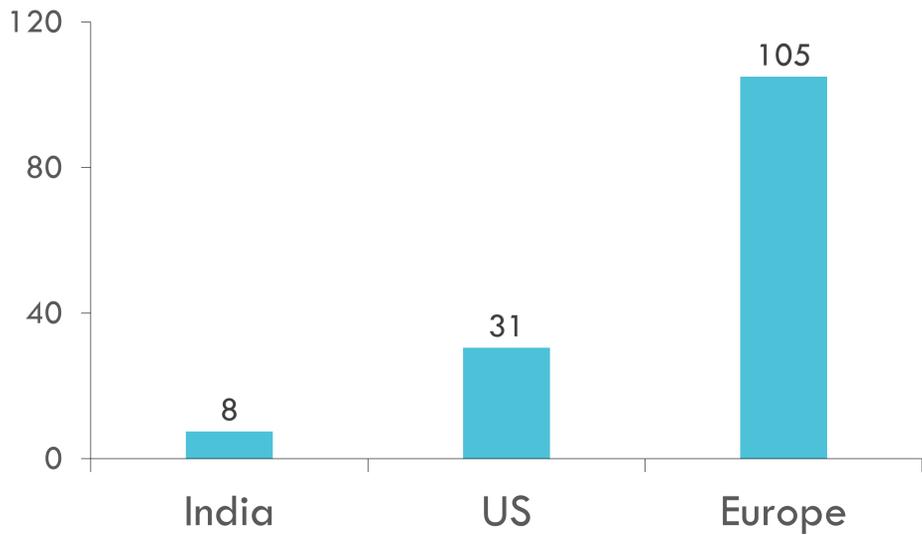
[Click Here to Know More](#)

COVERAGE THIS MONTH

Thematic Investing

Someone is bullish on the consumer goods market but has no idea which consumer goods companies to invest in. So, what should one do? This is where the thematic investing approach is useful. It provides investors with various economic, social, corporate, demographic themes, and trends which are popular in society and are expected to yield higher returns.

■ Net Assets Under Management (AUM) of Thematic Funds (in billion dollars)

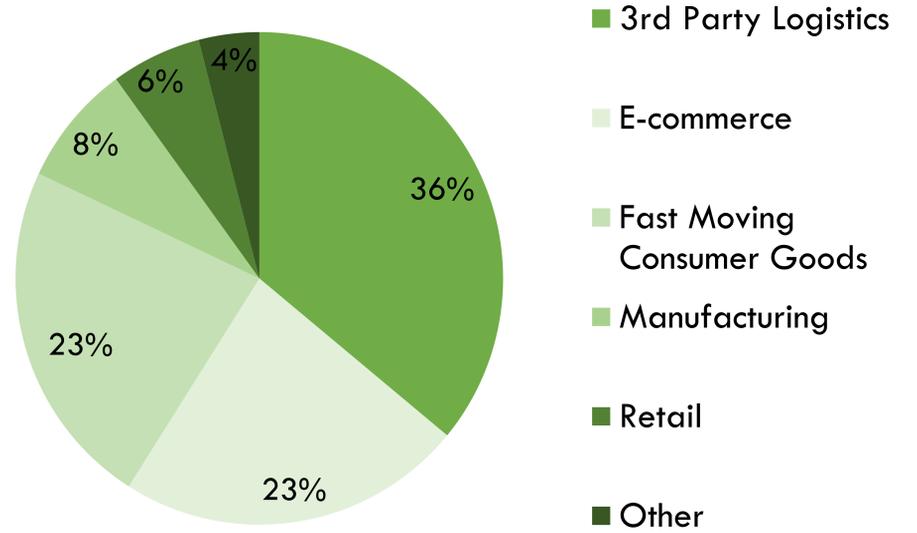


[Click Here to Know More](#)

Investing in Warehouse

Logistics and warehousing constitute a critical relationship in the chain that links the manufacturer to the ultimate consumer. In the past few years, the warehousing sector has transformed from a simple storage yard to a one-stop solution for inventory and logistics management.

All India Industry Wise Share of Transactions (2020)

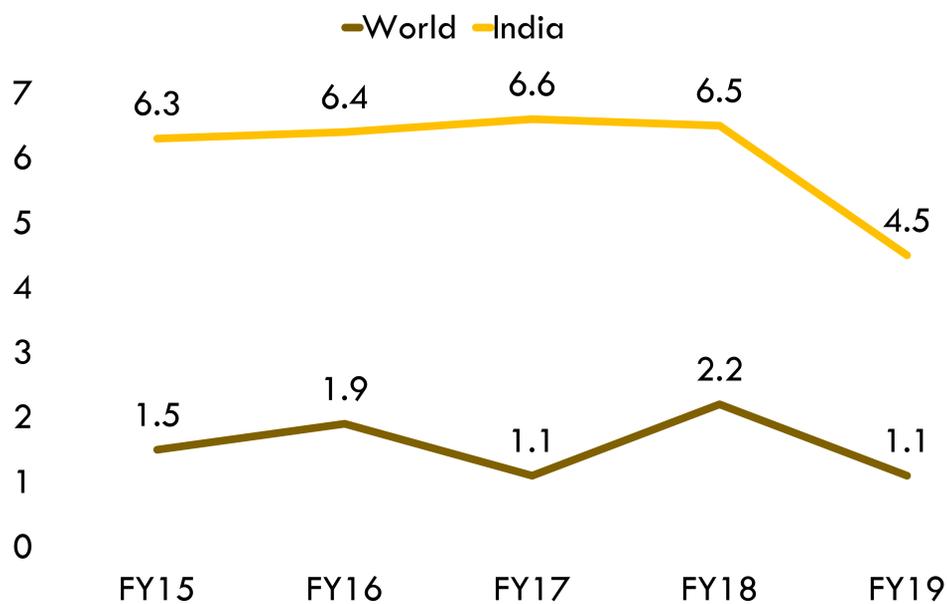


[Click Here to Know More](#)

White Gold – Investing in Cows

The dairy industry processes a plethora of products to cater to the wide consumer base globally out of which cow milk makes up the major share (92%) of dairy products worldwide. India is the leading milk-producing nation with 196 mn tonnes of output in FY19 and contributes 22% to global milk production.

GROWTH IN THE VOLUME OF MILK PRODUCTION (%)

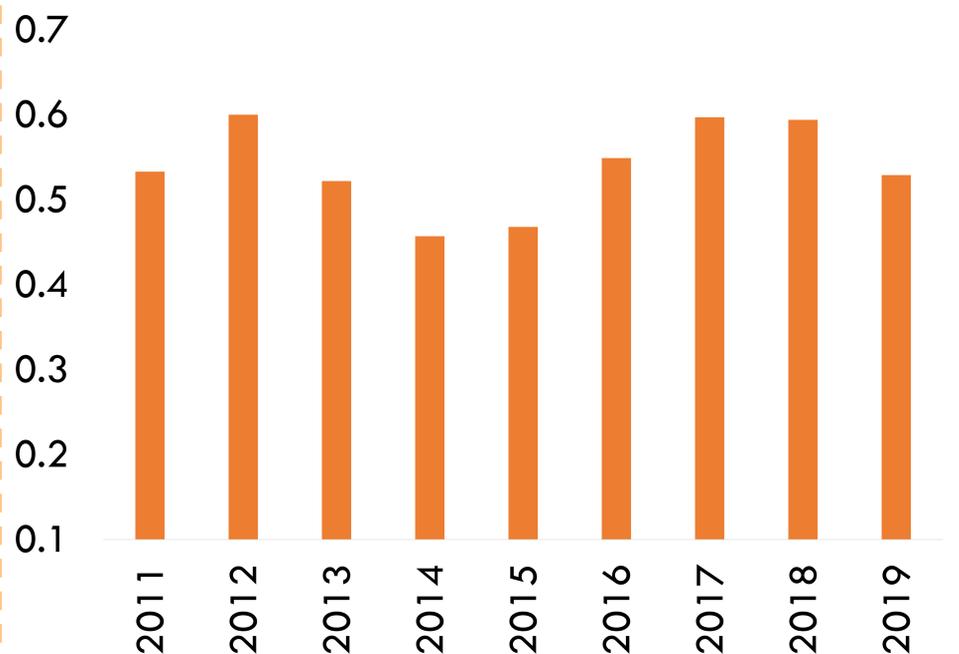


[Click Here to Know More](#)

Henry Hub Futures

Henry Hub futures are standalone commodities that allow market participants to hedge and manage risk in the highly volatile natural gas market. These futures are listed monthly for the next twelve years, allowing people to set expectations for future natural gas prices. It's liquidity also enhances the price discovery mechanism.

Daily Volume Average (Contracts/Day) (In mn)



[Click Here to Know More](#)

PINION POLL

“A positive message is coming, whether it is increased GST collections, car and two-wheeler figures, exports, FDI inflows, forex reserves, PMI numbers or the rural economy sustaining its positive growth. All this gives the hope that it is sustaining, but on a note of caution, I will still say I wish we can get on a firmer ground sooner and talk with a lot more certainty.”

- Nirmala Sitharaman, Finance Minister

“Demonetisation has helped reduce black money, increase tax compliance and formalisation and given a boost to transparency. These outcomes have been greatly beneficial towards national progress.”

- PM Narendra Modi on the 4th Anniversary of Demonetisation

“While overall rebound in real estate demand in October was faster than envisaged earlier, its sustenance post the festive season will be a monitorable. On a full-year basis, we estimate overall primary sales to witness a decline of 40-50% in top 10 cities.”

- CRISIL

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Leveraged Growth is a niche finance-based Business Consultancy firm. We are built around **four business verticals – Consulting, Research Advisory, Corporate Training and Learning and Development.** We provide customized solutions to leading businesses worldwide. Our team consists of experienced professionals having diverse skill-sets and a passion to excel



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