Leveraged Growth

MONTHLY REPORT

SEPTEMBER 2021

GLOBAL

China's Real Estate Crisis

For years, China's property prices have been rising because of easy financing options made available by the government to companies like Evergrande, one of the largest real estate groups in China. These companies have been on a land-buying spree, creating artificial scarcity and driving up prices.

Real Estate companies have long Cash Conversion Cycles, and to overcome the limitation Evergrande, borrowed excessively, making it the world's most heavily indebted developer. To curb the debt level and control rising housing prices, the government has been taking various initiatives due to which the company has been unable to meet its obligations. The company has been diversifying into EVs, streaming media, amusement parks, and health chains. In just 2 years, their operating income has declined to ¥95 billion from ¥355 billion and gross margin has dropped from 36% to 24%. The company has just hired advisors to explore feasible options to ease liquidity concerns. For years, critics have raised concerns about the company's asset quality, but neither the auditor nor the management has responded. We wondered why China's regulators allowed it to continue for so long.

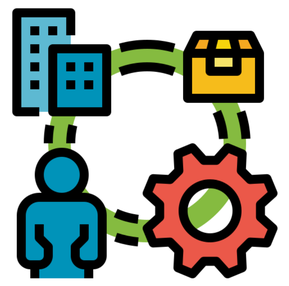
Fuel Crisis in the UK

UK is facing a severe shortage of lorry drivers as the majority has returned to their home countries due to COVID-19 and Brexit, resulting in scarcity of drivers to carry fuel trucks from storage point to gas stations. The shortage is not only limited to fuel but has also disrupted food deliveries.

To tackle the situation, the government plans to issue 3-month temporary visas for 5,000 foreign truck drivers and it has temporarily suspended the competition law so that companies can work together to minimize disruption

This year, 10% of energy companies are on the verge of bankruptcy as prices have risen by 420%, and Ofgem, the UK's energy market regulator, implemented a price cap, preventing companies from passing on the price increase to their customers.

From Chips to Shoes: Supply Chain Disruption Has Affected All



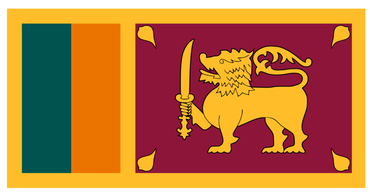
Trade tension between US and China China, COVID-19, and volatility in demand and supply have put enormous strain on global logistics. The importers are experiencing a delay in receiving key manufacturing components, while exporters are unable to access containers.

Prices of containers have soared up due to a surge in demand post lockdown and lower container turnover. Congestion at ports and railways and manpower shortages have increased shipping time between Asia and North America.

Nike is also not immune to the supply chain bottleneck, as 80% of its shoe Factories are in Vietnam, and half of its apparel plants are closed due to COVID-related lockdown, leading to a loss of 10 weeks of production so far. Experts predict that as the holiday season approaches, shoppers will face higher prices.

Paint manufacturers are also affected as their dealers are experiencing delay in the supply of tinting machines due to shortage of semiconductors.

Food Emergency in Sri Lanka



Sri Lanka's president, declared an economic emergency as food prices prices skyrocketed due to rising foreign exchange rates and depleting reserves. The main reasons for this is the decline in tourism during COVID-19, which accounts for 10% of the island's GDP.

Their reserve has decreased to $2.8 billion in July'21 from over $7.5 billion in November'19. To keep its reserve from dwindling, the government prohibited the import of vehicles, edible oils, and turmeric last year.

For the time being, a former army general has been appointed as commissioner of essential services, with authority to seize stock from traders and retailers and distribute it to the public at government-guaranteed prices or based on the customs value on imported goods.

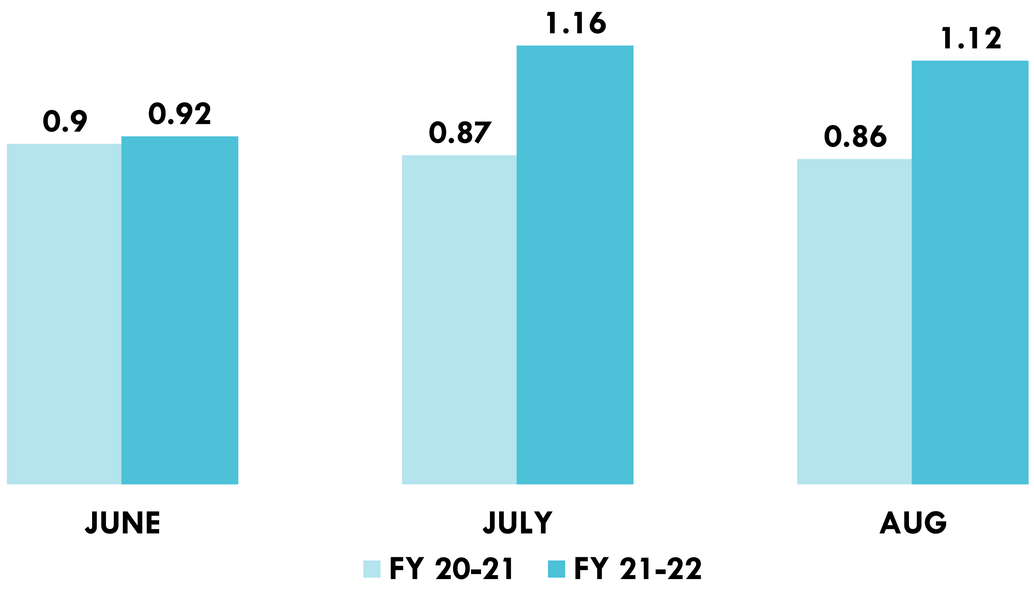
INDIA INC.

In August, GST collection amounted to over ₹1.12 trillion.

With the relaxation of COVID limitations, GST collections for August have once again surpassed ₹1 lakh crore, indicating that the economy is rapidly recovering. However, a MOM dip in GST was seen due to lower than expected core sector growth. Anti-evasion operations, particularly action against bogus billers, had contributed to increased GST revenues when combined with economic development.

The August manufacturing PMI shows a consecutive drop-in collection and moderation. In August'21, the PMI index fell down to 52.3% from 55.3% in July'21

GST Collection (₹ Lakh Crore)



Source: GST Council

Ayushman Bharat Digital Mission

PM Narendra Modi announced the nationwide launch of the Ayushman Bharat Digital Mission, which aims to enhance the country's healthcare infrastructure, over a year after it was piloted in six Union Territories.

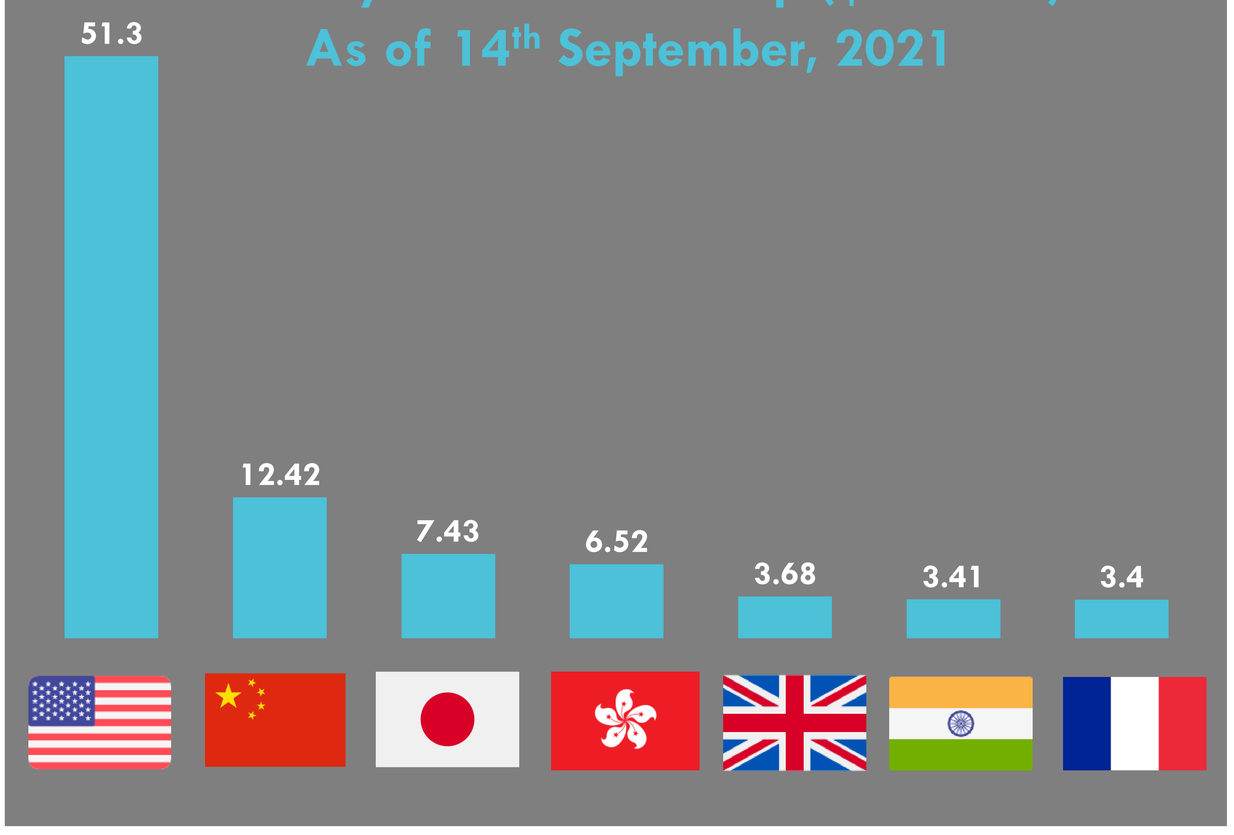
Each citizen will be given a health ID, which will also serve as their health account, to which personal health records can be linked and viewed via a mobile application, as well as a Healthcare Professionals Registry (HPR) and Healthcare Facilities Registries (HFR), which will act as a repository for all healthcare providers across both modern and traditional systems. This ID will make it easier for physicians, hospitals, and healthcare service provider to access previous medicals of their patients to provide them better treatment. The mission will aid in the integration of the digital health ecosystem in the same way UPI aided in the revolutionization of payments.

Indian stock market becomes the 6th largest market, overtakes France

With both the Sensex and Nifty-50 up by 3.12% and 3.17% MoM, respectively, international and domestic investors acquired equities worth $8 billion and ₹23,532 crores respectively, making India the world's sixth-largest stock market, surpassing France for the first time in market value.

India's market capitalization was $3.41 trillion on September 14, compared to $3.40 trillion in France. Better-than-expected GDP and GST collections indicate a long-term profit recovery. As domestic markets continue to rise to newer heights, they will be supported by strong liquidity and good macroeconomic indicators.

Country-wise Market Cap ($ Trillion)
As of 14th September, 2021



S&P BSE Benchmark Index Sensex Crosses 60,000 Mark

The benchmark S&P BSE Sensex surpassed the 60,000 mark for the first time, driven by technological advances and real estate companies. Indian stocks were on course for their 5th weekly rise, which experts attributed to fading worries of a third COVID-19 wave due to the fast-moving vaccine campaign.

Analysts predict that a low-interest-rate environment and a steady flow of funds from high-net-worth individuals and regular investors will keep the flag flying.

Investors are entering the stock markets directly or indirectly through mutual funds owing to automation, new age brokerages, and low-interest rates.

GOVT. POLICIES

Aviation Ministry's MRO Policy

Some exciting news for the aviation industry as the government announces a policy for maintenance, repair, and overhaul (MRO) services in the country. The ministry intends to establish land allotments for MRO facilities for the long term, lasting roughly 30 years, and make India a worldwide MRO center. The government is now open for tenders for leasing lands to terminate the royalty charged by the Airport Authority of India.

Eight Indian airports have been chosen to boost MRO activity, and another eight are about to open as Flight Training Organizations (FTOs) for helicopters and airplanes to widen the sector. Apart from that, the ministry has unveiled the passenger E-platform, AirSewa 3.0 portal.

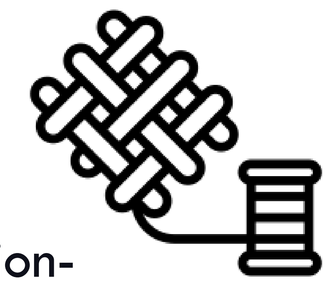
Indian AgriTech Sector Receives Bumper Funding

Three US-based MNC's have signed a contract with the central government to boost the agricultural sector in India. Amazon, Microsoft, and Cisco Systems are the companies that bagged almost $24 billion worth of new projects. ITC and Jio platforms are the other local powerhouses that are also a part of these deals.

As per the agreement, the MNC's will associate with the government to create concepts that offer technological solutions for the agricultural sector, which farmers can access at their doorstep.

The plan is simple, and with the help of AI and data analytics, the government aims to develop personalized services in the sector, neutralizing the challenges every farmer faces in their day-to-day operations. According to a study conducted by the Food and Agricultural Organization, 40% of the estimated food produced each year is wasted due to inefficient food supply factors and fragmented systems. With this new agreement, India will compete with global traders and reduce food wastage by boosting rural incomes.

Upgrades in the Textile Industry



Over the next five years, the textile industry is expected to boost as the government has approved a Production-linked Incentive (PLI) scheme which aims to produce high-value Man-Made Fabric (MMF). The main objective is to provide an ecosystem of MMF that will consist of two-thirds of the global textile trade and regain India's dominance.

The policy will create 7.5 lakh new employment opportunities and attract ₹19,000 crores worth of investments. To motivate, government will also provide ₹10,683 crores worth of incentives. The current export of MMF is just one-fifth of all textile exports, and the rest is cotton. As government policies encourage undeveloped regions, tier 3 and 4 cities along with aspirational districts will be targeted for establishing manufacturing units. Welspun India, Trident , Page Industries, Reliance Industries and other well known companies in the sector have lined up investment plans after the announcement.

A Separate Act for Cosmetics, Medicines, and Medical Devices

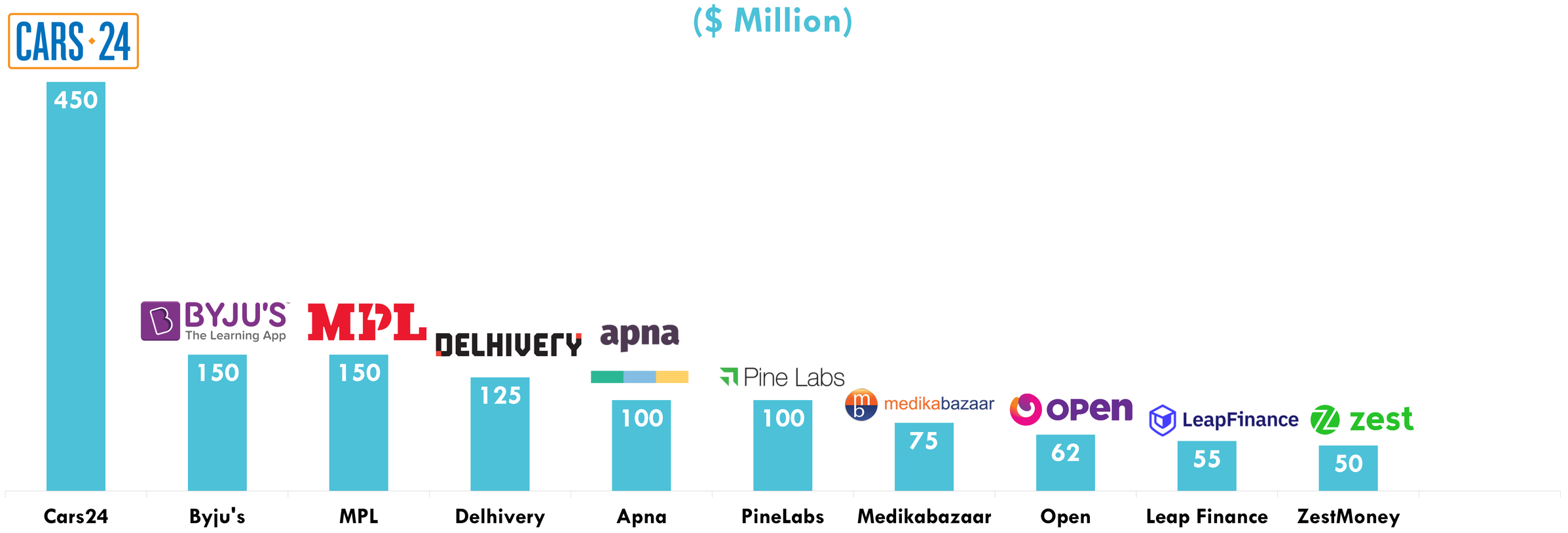
The central government plans to form a new law for cosmetics, medicines, and medical devices. The new law will fill in gaps present in the Drugs and Cosmetics Act, 1940.

It shall direct safe infrastructure and strong regulatory methods to eliminate the production of sub-standard medicines in unhygienic conditions. Standard regulations will involve drug serialization to reduce counterfeiting and product diversion of drugs. Furthermore, the act will rectify categories of drugs in the previous act that are outdated and are causing a lack of transparency in the sale of medicines.

The Health Ministry has set up a committee of 8 members and will follow up with a draft by November 30. However, the implementation might take up to one year. Industry experts believe that this new law was the need of the hour.

START-UP NEWS

Major Funding raised by Startups for the period 30th Aug'21 to 25th September'21 ($ Million)



Source: Entrackr

This month 129 startups were able to raise approximately $1987 million a MoM decrease of 62.4%. Early growth-stage start-ups witnessed more interests from Venture Capitals than the late growth-stage start-ups.

Apna, the Youngest Entrance in the Unicorn Club

Apna, a blue-collar digital hiring start-up in India, has reached a valuation of $1.1billion, with a new fundraising round headed by Tiger Global Management. The company has made this possible in just 15 months after launching full-scale operations. Apna is creating a scalable networking infrastructure, which does not presently exist in the market, enabling employees to connect with proper businesses and secure jobs. The app also allows users to upskill themselves and improve their interview skills. The company aims to deal with the world's biggest problem that is unemployment, and if it succeeds, will not just solve the former problem but also poverty, healthcare, and education of the next generation.

A Start-Up Bubble?

Investors at TiE NCR's Internet Day 2021 spoke about navigating a bubble, as start-up funding reached a record $20 billion in 2021 and 28 unicorns so far this year. All investors agreed that the current momentum wouldn't stay indefinitely, and entrepreneurs should watch the situation. They couldn't predict when the momentum would shift as it will be determined by the US Fed raising interest rates, which will result in less money sent to other nations in search of returns. That's when the bubble might pop.

At a $2.3 Billion Valuation, MPL Joins the Unicorn Club

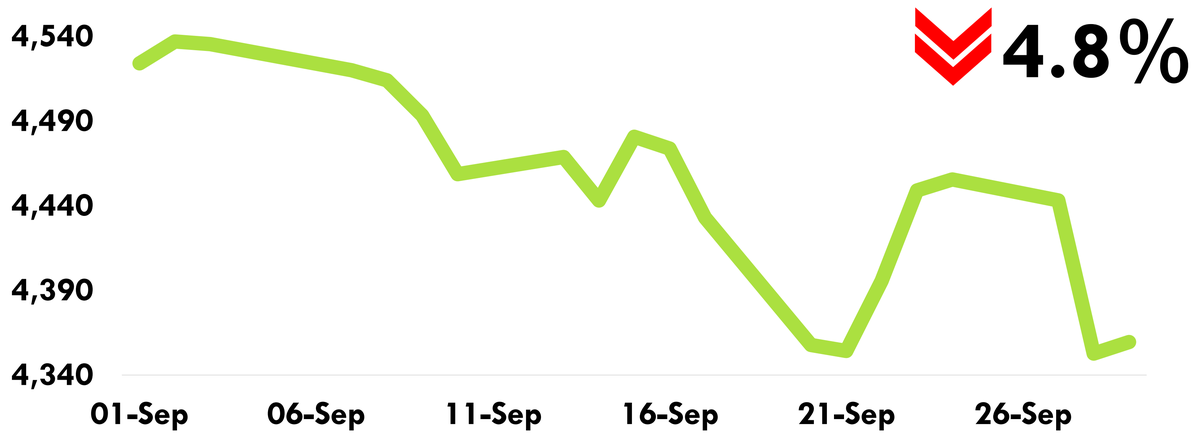
Esports and skill gaming app Mobile Premier League (MPL) entered the unicorn club by raising funds in Series E financing, led by Legatum Capital. On its app platform, the three-year-old start-up connects game publishers with users. MPL plans to use its new funds to expand its business in the United States, grow its user base in Indonesia (where it currently has a million monthly paying users), invest in original game content, and hire new talents.

Start-ups are Helping to Strengthen India-US Ties

India's Ambassador to the United States Taranjit Singh Sandhu said the country has a unique start-up ecology, and the current government has made a robust push to foster entrepreneurship through initiatives such as Start-up India and Digital India. India is home to over 60 unicorns and the most noteworthy thing is that these unicorns are not limited to one industry but fan out to diverse sectors ranging from healthcare to SaaS to gaming. The India-US friendship is both a facilitator and a benefactor, and the Indian Embassy has been eager to promote the start-up ecosystem by hosting a series of events.

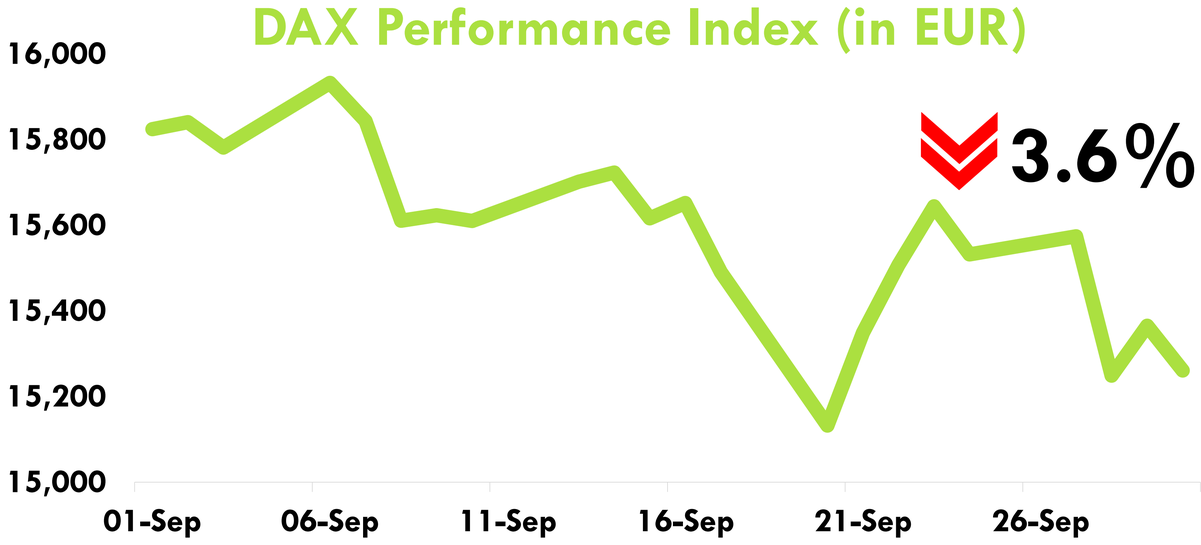
GLOBAL INDICES

S&P500 Index (in USD)



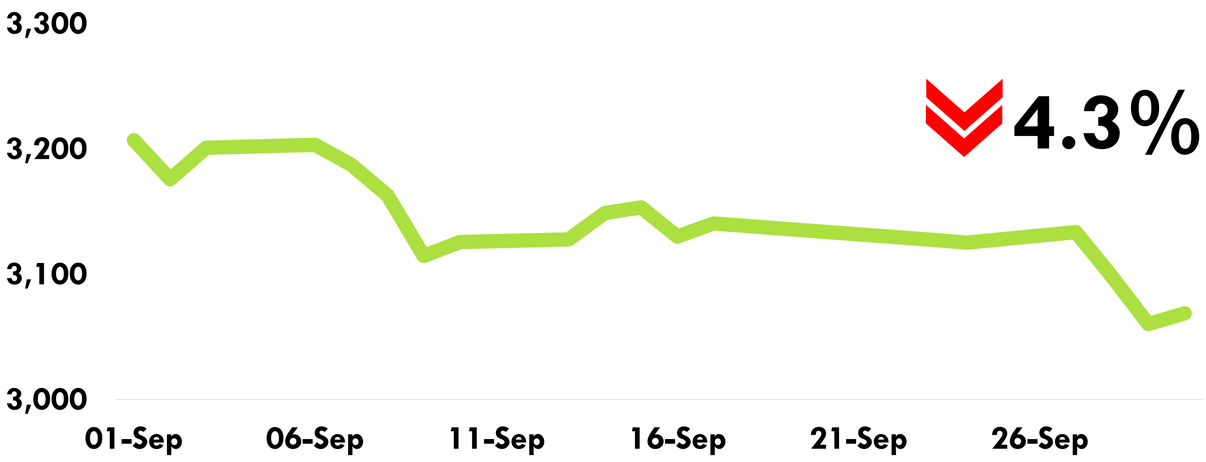
The index began with a five-day losing streak, its longest since February, with index giants Apple and Google facing judicial scrutiny. It was followed by a massive sell-off, with losses in index's all 11 core sectors and fear of contagion from China's struggling housing market. The index gleamed with hope as the Fed chose to maintain its massive bond-buying program and ultralow interest rate regime.

DAX Performance Index (in EUR)



Learning from Wirecard's €1.9 billion fraud and its insolvency, the DAX is undergoing a significant overhaul since its establishment, as regulators are making the rules stiffer and adding ten more companies to the index. DAX showed mixed results as elections are looming in and investors are waiting for news over the troubled Evergrande.

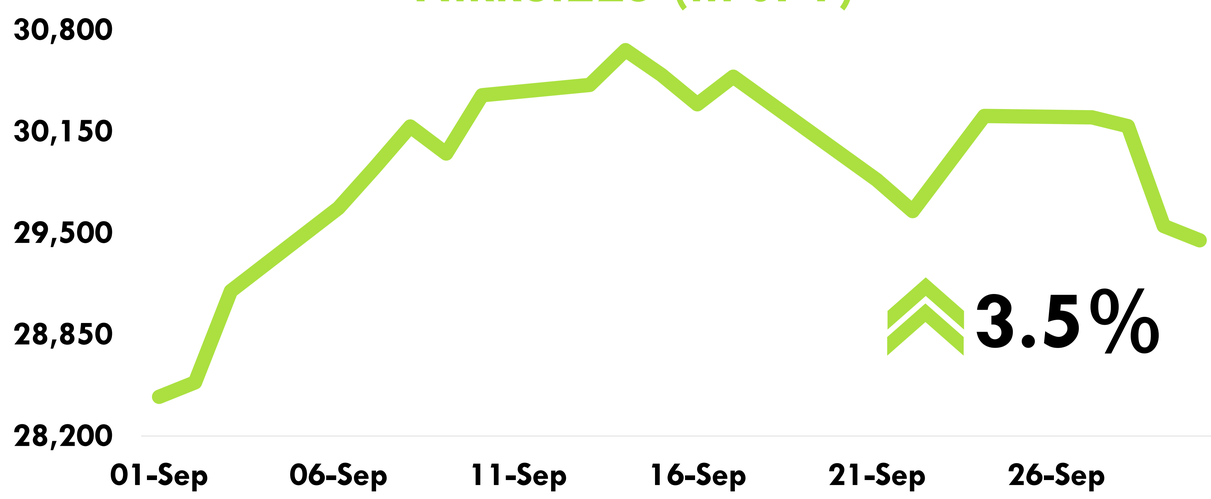
KOSPI (in KRW)



Evergrande's financial problem is dragging another index down, as investors fear it will become the next Lehman Brothers. The index rose slightly with the release of disappointing hiring data from the world's biggest economy, US, which strengthened the Korean Won and increased the benchmark's bond yield. But as the market is full of uncertainties, many remain in a wait-and-watch mode.

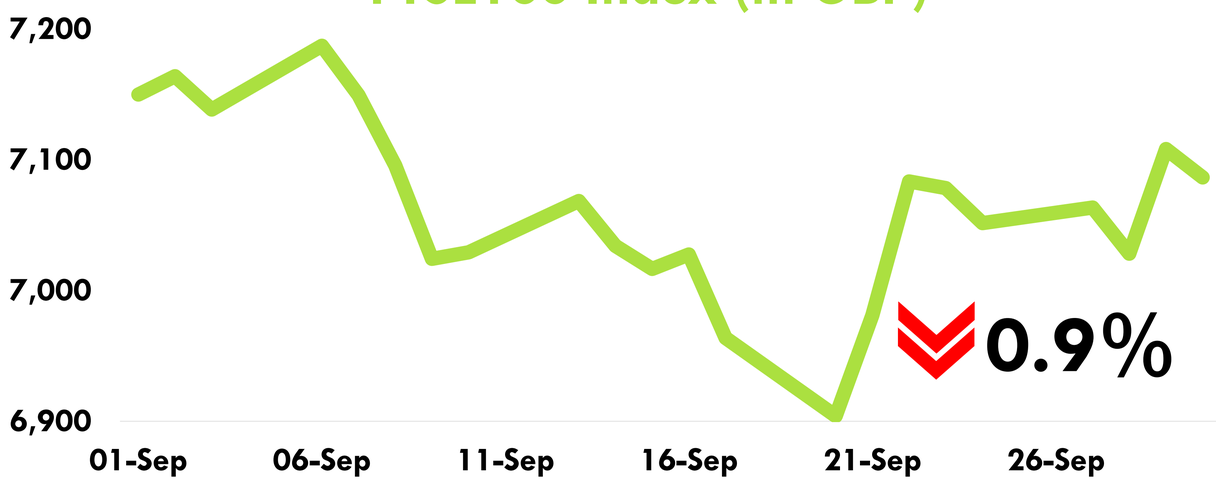
Source: Investing

Nikkei225 (in JPY)



The index began sharply with the economy outperforming expectations and PM Yoshihide Suga's withdrawal from the upcoming election due to the public dissatisfaction with his handling of the COVID situation. However, the index experienced its largest one-day drop in three months over concerns about Evergrande's potential default.

FTSE100 Index (in GBP)



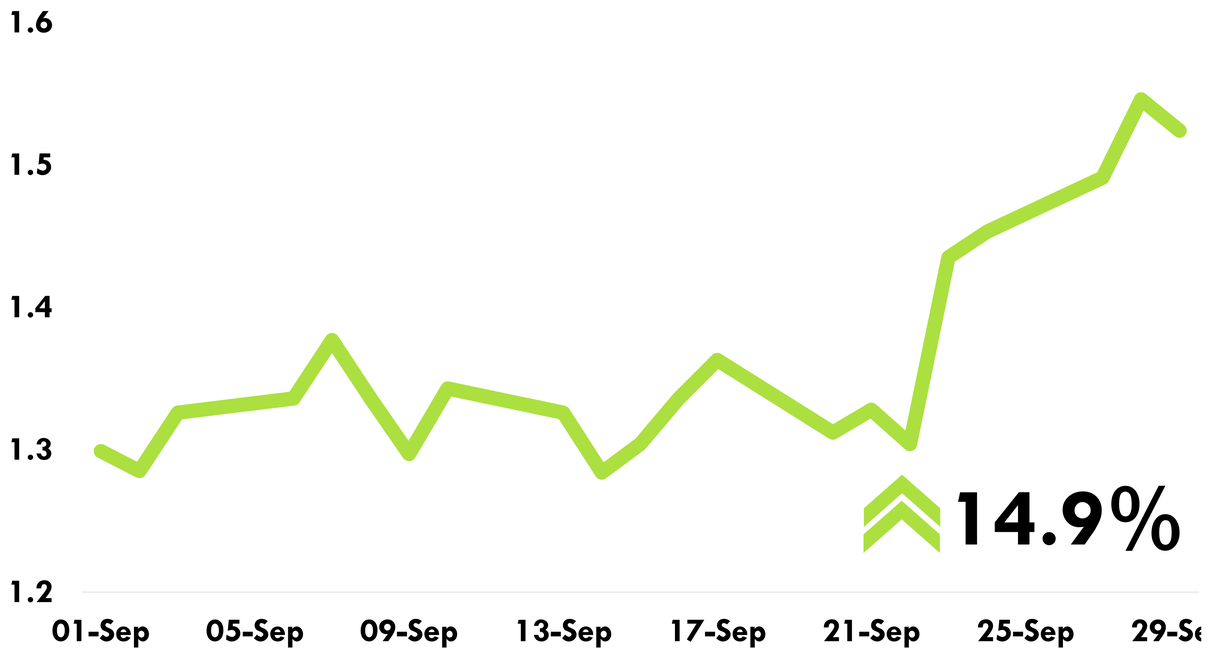
Despite AstraZeneca's positive trial update, investors were worried about energy bills, food costs, tax hikes, and rising inflation which pulled the index to a two-month low. But suggestions from the central bank's monetary policy committee to keep interest rates unchanged until next year boosted the pound and kept the index on a positive note at the end.

Hang Seng Index (in HKD)

The index is going through a rough spot as shares of embattled Evergrande Group continue to drop, with the property index struggling at a 52-week low. Tencent and NetEase, the index's leviathans, are still mired in regulatory difficulties, further dragging the index down. Despite President's efforts to rein in overly indebted firms, investors chose to sell first and inquire later.

FIXED INCOME

US 10 Year Treasury Yield September'21 (In ₹)



Source: US Department of the Treasury

Earlier this month, the benchmark rose after its biggest two-day drop in about three weeks, in response to economic data suggesting that high inflation could persist for some time. The producer price index has risen by 8.3% in the past 12 months, the highest YoY increase since November 2010. The yield rose to a three-month high after the Fed signaled that it may soon begin to taper its asset-purchasing program.

Liquidity Surplus

Over the past few weeks, the liquidity surplus has increased by ₹3 lakh crore, indicating a decline in demand for bank credit by businesses due to economic uncertainty and banks' reluctance to lend due to concerns about asset quality in the face of liquidity expansion through RBI measures. Various liquidity measures, such as OMO purchases and foreign currency purchases by the central bank, have contributed significantly to the banking system's liquidity surplus over time

Date (September'21)	Outstanding Liquidity Surplus (₹ Lakh Crore)
6th-9th	₹ 7.8 - 8.8
13th-17th	₹ 6.7 - 8.5
20th-24th	₹ 6.7 - 7.4

Source: RBI

India Bond Index Likely to be a Part of Top Global Bond Index

JPMorgan might include India in its Government Bond Index-Emerging Markets (GBI-EM) and Global Aggregate indices with a weightage of 9.2%. Over the next decade, the inclusion may bring in $170 to $250 billion in bond inflows.

The government will be required to remove the FPI limit and keep inflation close to the target to increase the real rate of Investment Grade Bonds (IGBs). An increase in foreign inflow will reduce pressure on commercial banks to buy government bonds and the quantum of bonds devolving on the RBI. Inclusion might lead to volatility in the rupee and the risk of huge capital losses in case of a downgrade. However, the benefits of strong foreign capital into debt have been demonstrated to significantly outweigh the risks.

Inflation

For the second month in a row, retail inflation in India has remained within the RBI's tolerance band.

The decrease in inflation was caused by lower food prices and an improved supply chain. Analysts predict that inflation will decrease to the RBI's goal of 4% by Q3FY22, and because of the base effect, inflation is anticipated to fall until November'21.

Month	Inflation (%)
Mar-21	5.52
Apr-21	4.29
May-21	6.30
June-21	6.26
July-21	5.59
Aug-21	5.30

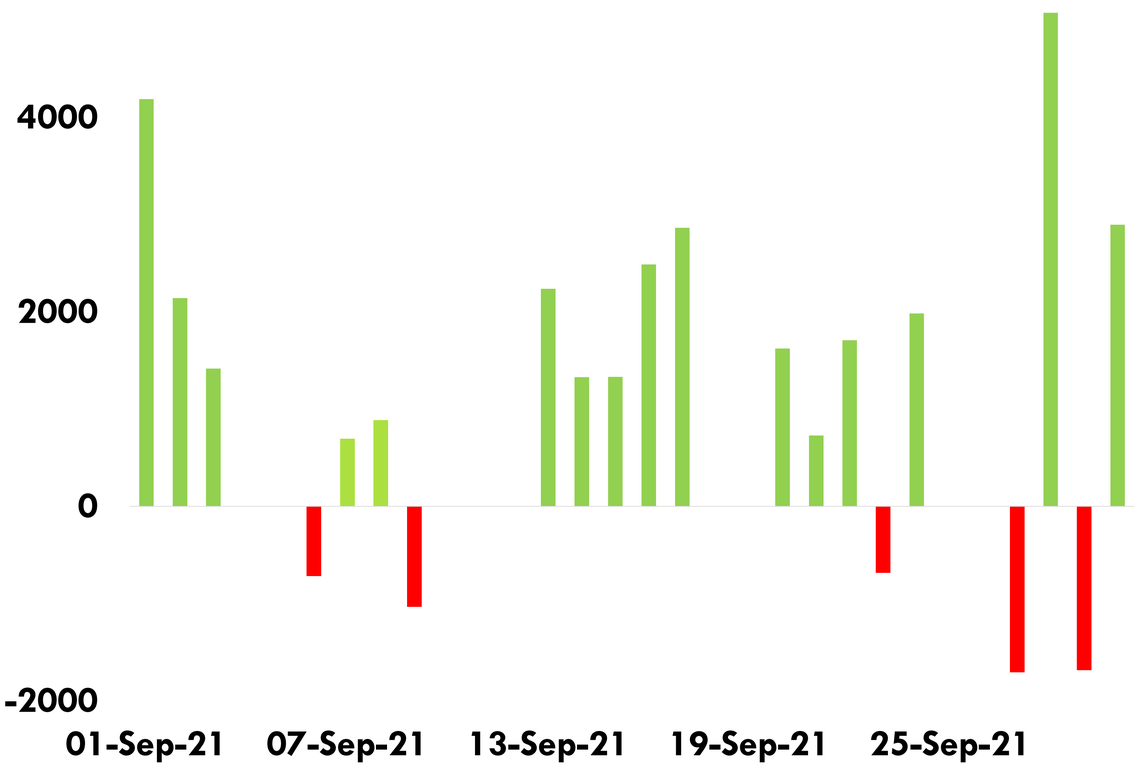
Source: Ministry of Statistic and Programme Implementation

SEBIs Rolls Out Swing Pricing in Debt Fund

Due to the low liquidity in the bond market, fund houses are frequently forced to liquidate their investments to meet redemption criteria. As a result, the schemes' NAV falls, putting long-term investors at a disadvantage. To protect these investors' interests and instil confidence, the capital market regulator implemented a swing pricing framework for bond fund units, except for overnight funds, gilt funds, and 10-year maturity scheme gilt funds. The framework will be mandatory for debt schemes with a risk-o-meter score of high or very high.

EQUITIES

FPI Net Investment in September'21 (₹ Crore)

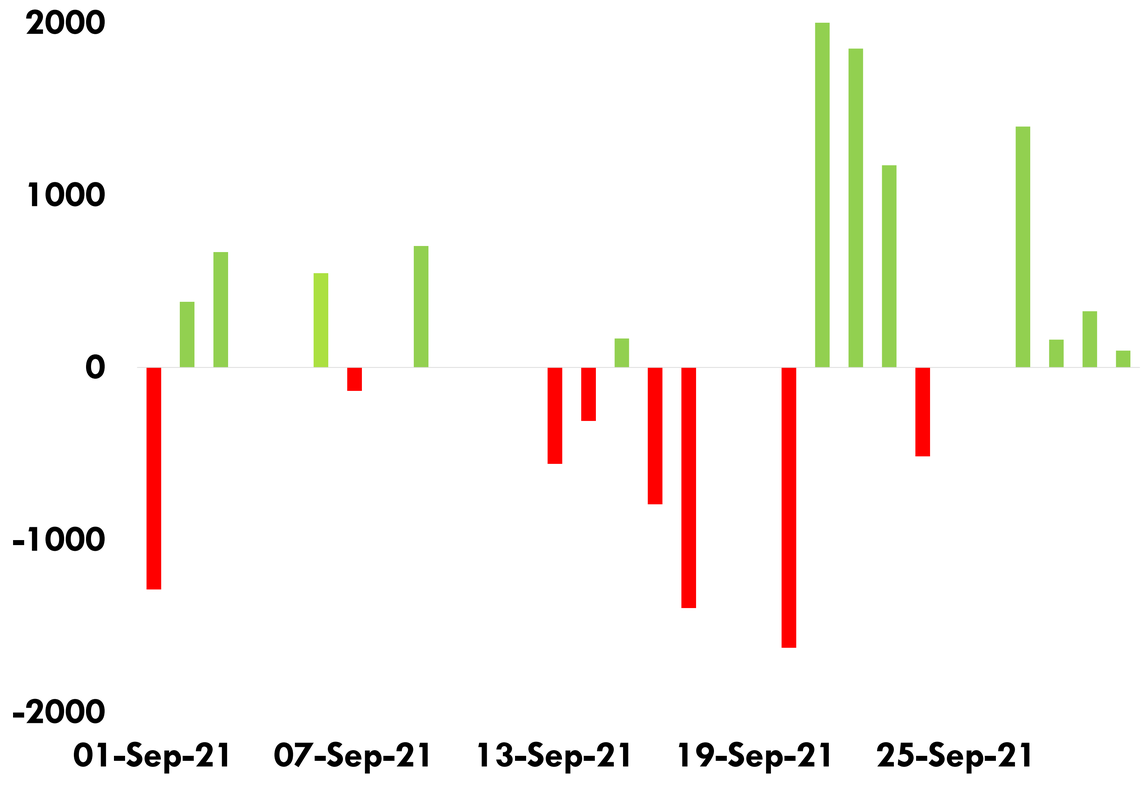


Source: NSDL

Foreign Portfolio Investment and Domestic Institutional Investors

Despite high valuations, FPIs invested around ₹27,764 crore in September. The strengthening of rupee and the continuation of the bull market have made India the top destination for FPI flows. As businesses recover, investment in the hotel and travel industry has increased. The Federal Reserve's tapering may cause FPIs to exit from emerging markets. Expectation of inclusion of the nation's bonds into the global indices have motivated FPIs to increase their exposure to Indian debt market. DII remains a net buyer due to a lack of alternate investment opportunities.

DII Net Investment in September'21 (₹ Crore)



Source: NSDL

SEBI Introduces Optional T+1 Settlement Cycle

As technology, payment system and banking arrangements improve, market regulator, SEBI introduces T+1 settlement in some stocks, starting next year. If the stock exchange plans to convert to the T+1 settlement cycle on any shares, it must notify stakeholders one month in advance. After the switchover, it is mandatory to continue with the T+1 settlement cycle for a minimum period of six months. The new rule will benefit retail investors, who will have access to cash and security much faster. But before implementing the new system, SEBI with other market participants will need to tackle several technical and operational challenges.

Index	1st Sept'21 (In ₹)	30th Sept'21 (In ₹)		Change (%)	Trend
NIFTY Auto	10,043.9	10,598.5	↑	5.5	
Nifty Bank	36,574.3	37,425.1	↑	2.3	
Nifty Consumer Durables	24,854.3	26,807.6	↑	7.9	
Nifty Financial Services	18,036.0	18,308.2	↑	1.5	
Nifty FMCG	39,644.7	40,426.6	↑	2.0	
Nifty IT	34,110.5	35,028.1	↑	2.7	
Nifty Media	1,610.6	2,138.3	↑	32.8	
Nifty Metal	5,612.5	5,611.2	↓	-0.02	
Nifty Oil & Gas	7,205.4	7,774.4	↑	7.9	
Nifty Pharma	14,319.9	14,466.5	↑	1.0	

Source: NSE

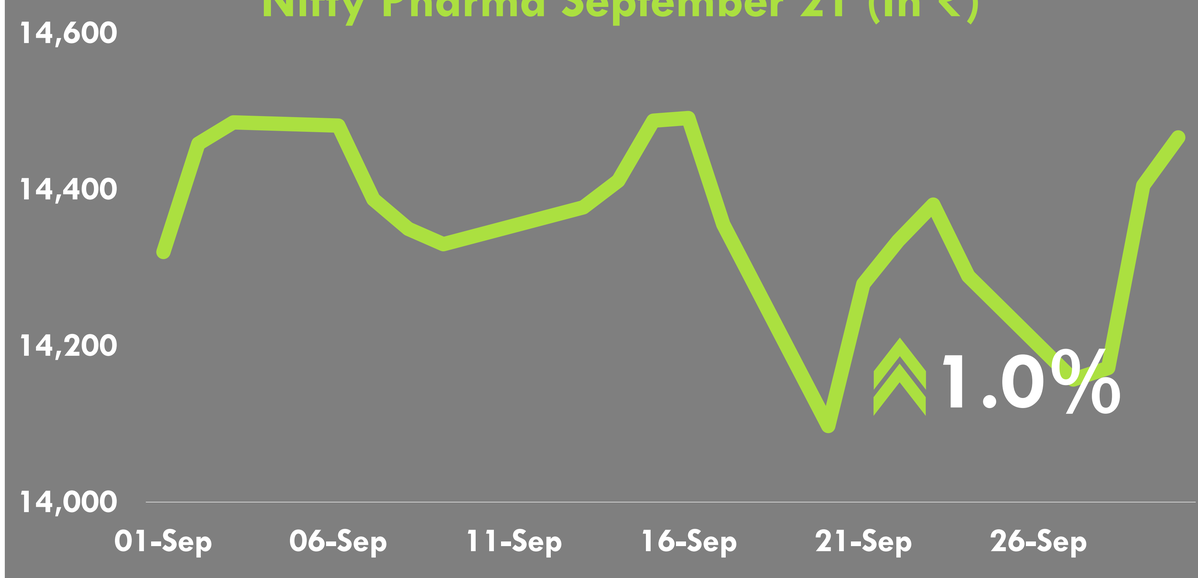
SECTOR UPDATES

Pharma Sector

The sector has been in the spotlight as India's vaccination drive continues to set new records. But it saw a big sell-off as the sector is under intense pressure from investors due to pharma stocks failing to hold on to early gains. Companies are experiencing difficulties as production cost rises, putting a strain on them and lowering their profit margins. With companies like Cipla and Dr. Reddy's Laboratories moderately pulling the index up, the sector was mostly stable this month.

Cipla was the strongest performer, with the stock increasing by 6.4% as it formed a joint venture last month with Kemwell Biopharma to develop and produce biosimilars worldwide.

Nifty Pharma September'21 (In ₹)

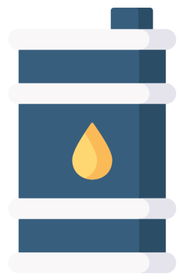


Source: NSE

FMCG Sector

The Indian FMCG industry, which grew by 37% in the Q2FY22, was one of the few industries that remained unaffected by the pandemic's second wave. The index surpassed its previous peak and recorded an ATH of 41,821. But the index saw a continuous decline in the last ten days, as consumer goods manufacturers were confronted with an inflationary problem like never before. The wholesale prices of numerous commodities used by FMCG companies in product manufacturing or packaging have increased by 11.4% YOY and the commodity market is under pressure from growing raw material costs, which are projected to continue. While companies are attempting to reduce costs, if cost pressures persist, they may be forced to pass some of the cost on to consumers, with companies such as HUL, Marico, and PepsiCo already implementing price increase across brands.

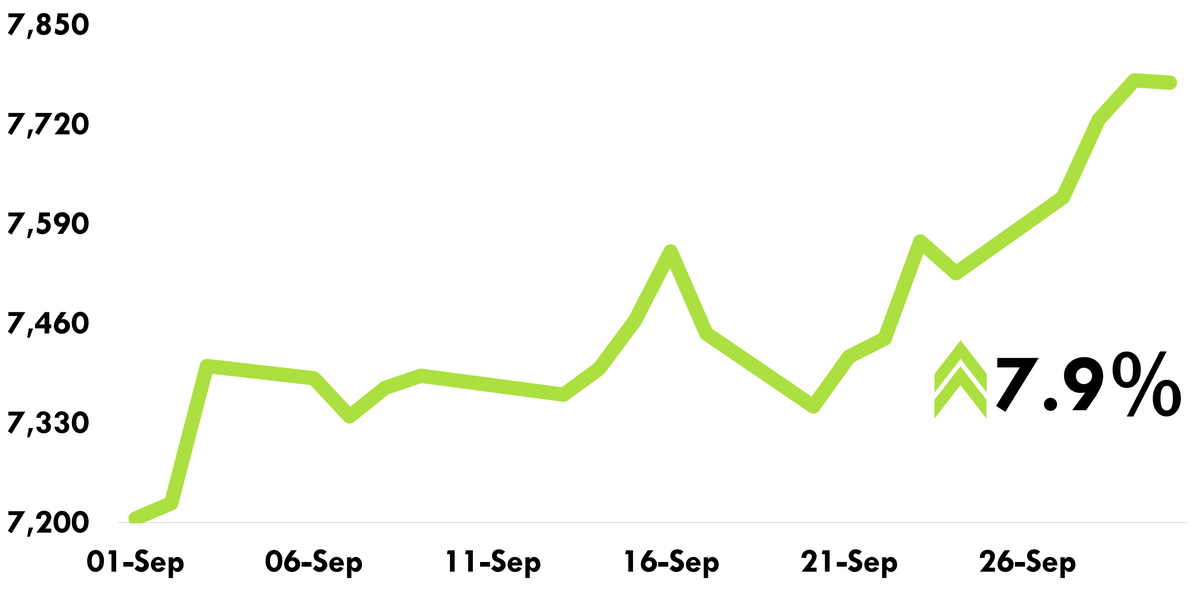
Oil and Gas Sector



The index outperformed almost all the sectors as oil prices rose after industry data revealed a larger-than-expected decrease in crude oil reserves in the US. The index grew by 1.5% with the government's announcement to invest ₹1 trillion in Oil and Gas projects, scheduled to be completed by 2025

The top gainer was Oil India Ltd. which grew by 44% as global oil prices saw a sharp uptick driven by extreme weather and demand slowly reaching the pre-pandemic levels.

NIFTY Oil & Gas September'21 (In ₹)



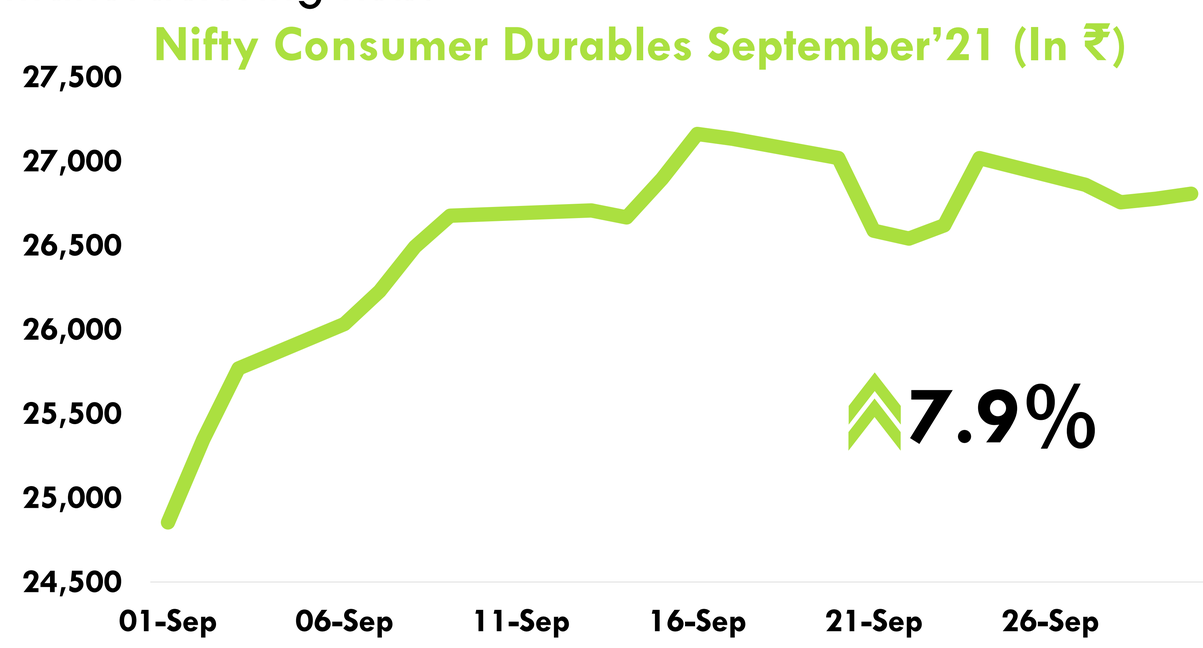
Source: NSE

Consumer Durables Sector

The index reached an ATH of 27,420 ahead of the holiday season, as manufacturers anticipate double-digit growth in the months ahead. Demand for premium products like TVs, washing machines, and refrigerators is expected to grow strongly as work-from-home culture, and positive consumer sentiment has created a good demand for durables.

Blue Star outperformed its peers by surging 18% as the government plans to make India a global AC manufacturing hub.

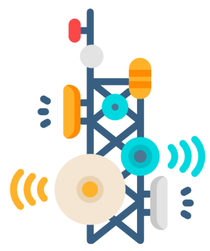
Nifty Consumer Durables September'21 (In ₹)



Source: NSE

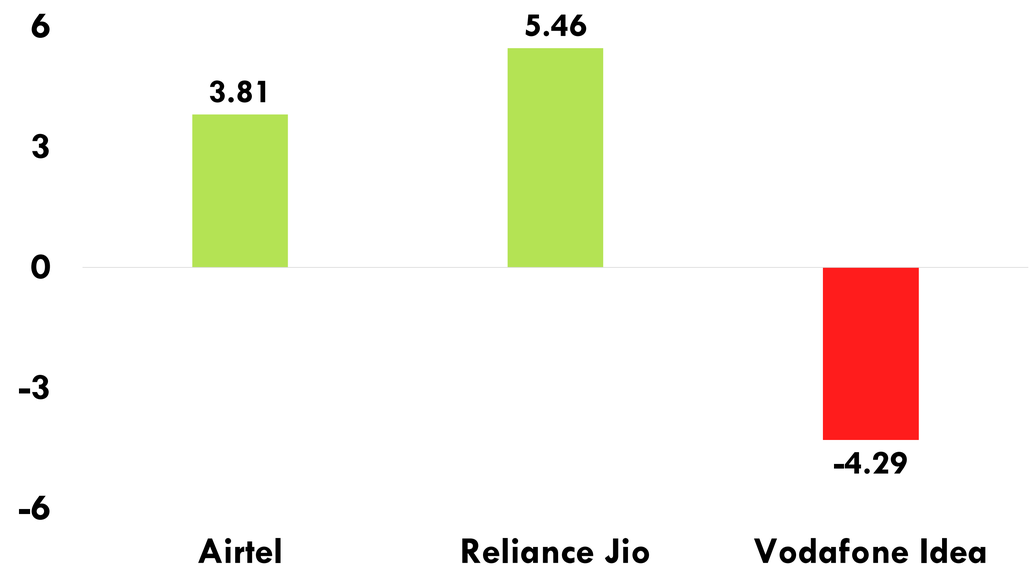
SECTOR UPDATES

Telecom Sector



The government's telecom reforms herald the start of a new era for the business and a new period for encouraging investment in a debt-ridden industry. The approved relief package for the stressed telecom sector includes a four-year brief respite from paying statutory dues, permission to share scarce airwaves, a change in the definition of revenue on which levies are paid, and the automatic approval of 100% foreign investment. The rescue package should significantly boost Vodafone Idea's cash flow, allowing it breathing room to stabilize its operations. However, the package would provide Airtel and Reliance Jio the financial freedom it needs to increase its investment in development plans.

Addition During July'21 (Millions)



Source: TRAI

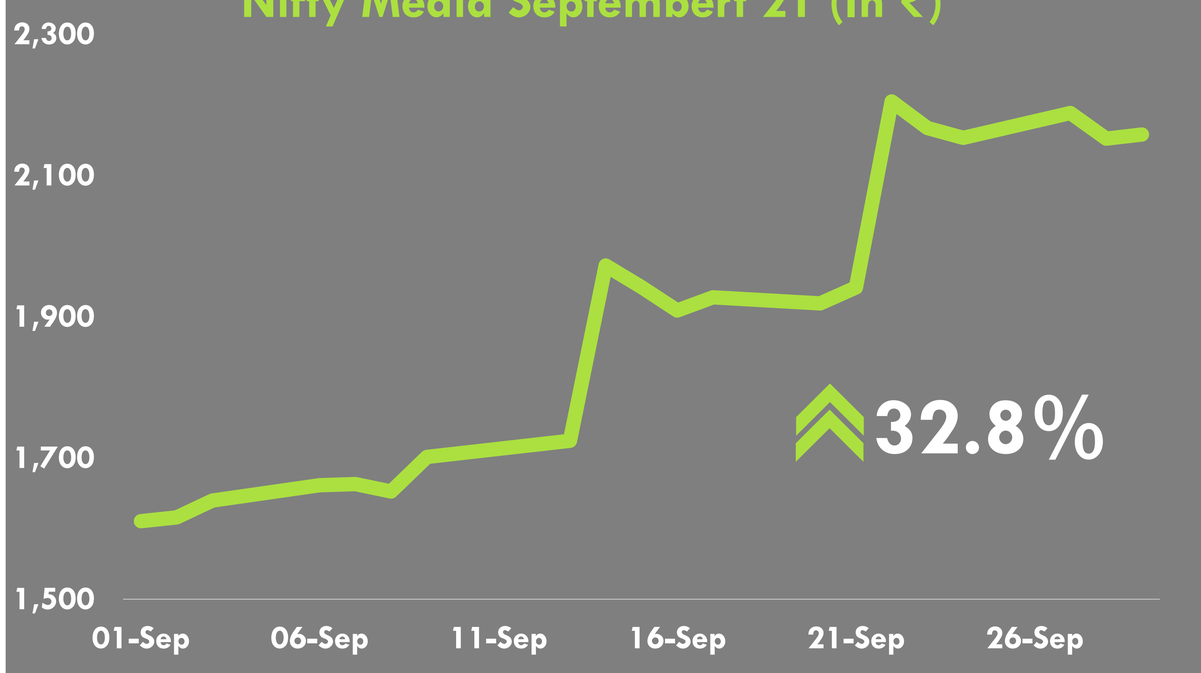
Auto Sector

The Union Cabinet approved a PLI program for the auto industry worth ₹25,938 crores to boost the production of innovative automotive technology goods such as electric and hydrogen-fueled cars. The scheme will help the car sector develop and become more globally competitive. The PLI for the auto industry, coupled with the PLI for Advanced Chemistry Cell (₹18,100 crores) and the Faster Adoption of Production of Electric Vehicles (FAME) Scheme (₹10,000 crores), will help the country's EV manufacturing. With this, the cabinet is hopeful that US electric car major Tesla will be attracted to enter India as it has had its reservations in the past. The cabinet further stated that the scheme would assist in the creation of around 7.6 lakh new jobs. It indeed is a historic move for our country's future.

Media Sector

Last month media stocks were on a buying spree. Announcements on the Zee-Sony merger and reopening of cinema halls in Maharashtra led to this frenzy. The 74.9% gain in ZEEL shares aided the index, and this surge rubbed off on other media behemoths, with Inox Leisure and TV18 Broadcast also gaining 27.8% and 9.6%, respectively.

Nifty Media Septembert'21 (In ₹)



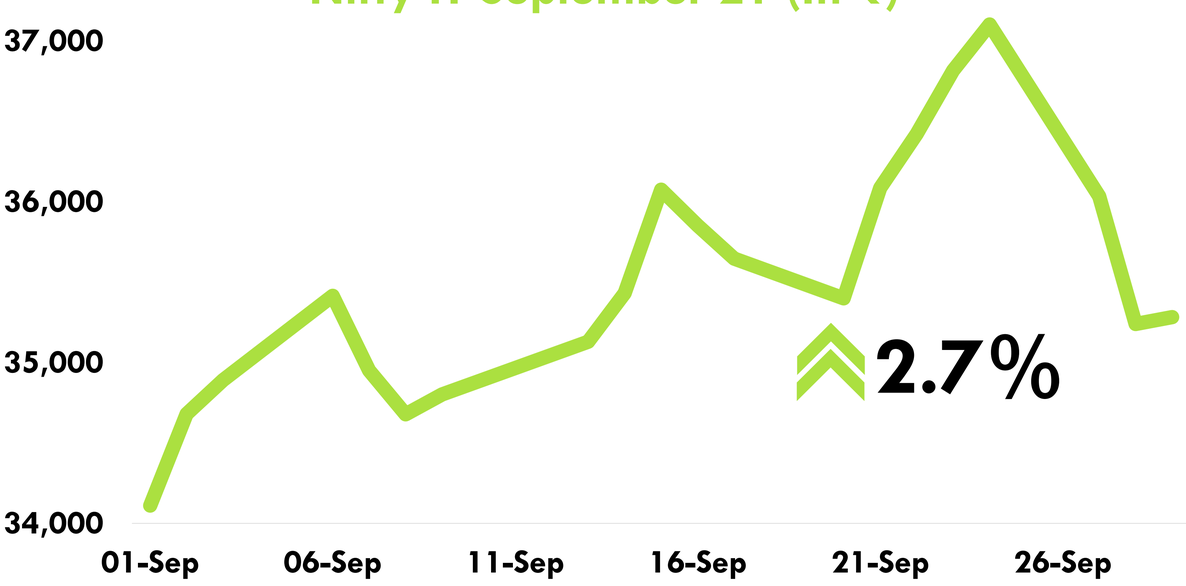
Source: NSE

IT Sector

The index started on a positive with healthy buying interests in IT stock. But the momentum broke after 3 weeks of rally when macro factors dominated the Indian market. The ongoing bankruptcy contagion of China, the US Fed's plans to taper monthly bond purchases, and huge selling pressure on global tech stocks dragged the IT sector down.

The Top gainer was MindTree which surged by 16.55% MoM. The company is still basking on its robust Q1 results. However, in the last week of September the stock witnessed huge profit-booking.

Nifty IT September'21 (In ₹)



Source: NSE

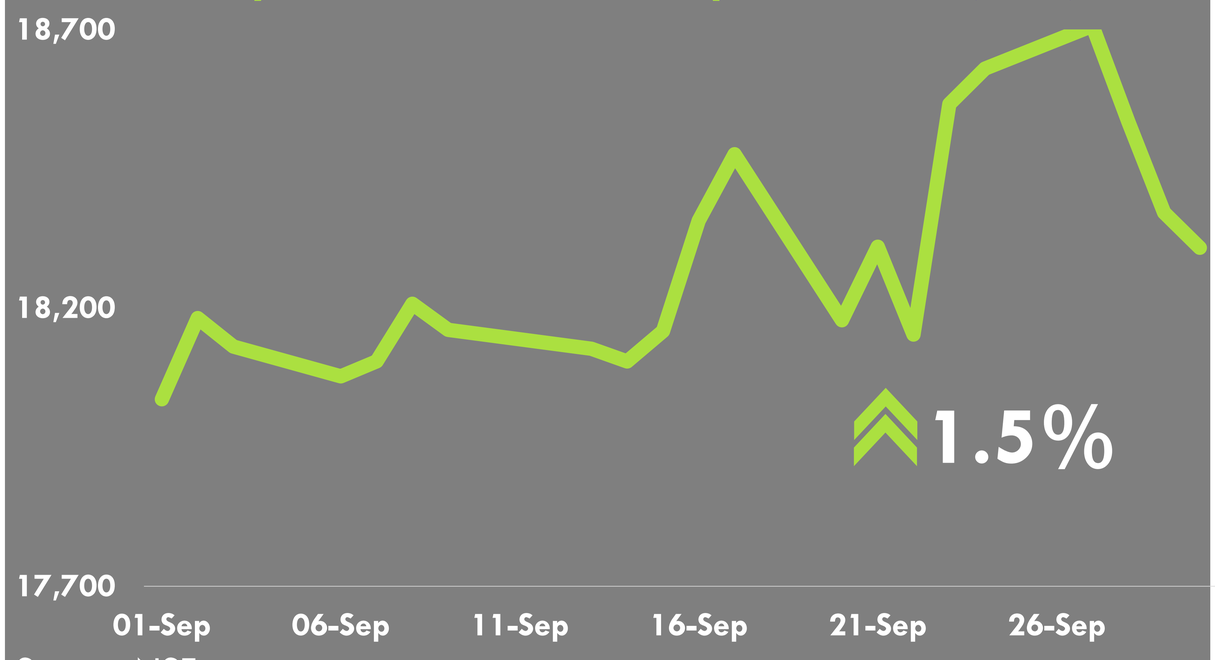
SECTOR UPDATES

Financial Services Sector

The index reached an all-time high as investors are bullish on the future outlook. Companies look forward to holding their positions and widen their reach with different projects. Analysts predict the industry will be able to observe a rise in employment opportunities in the coming quarter.

Top gainer in the index was Mahindra & Mahindra Finance, which rallied by 16% MOM after the company released positive disbursements.

Nifty Financial Services Sptember'21 (In ₹)



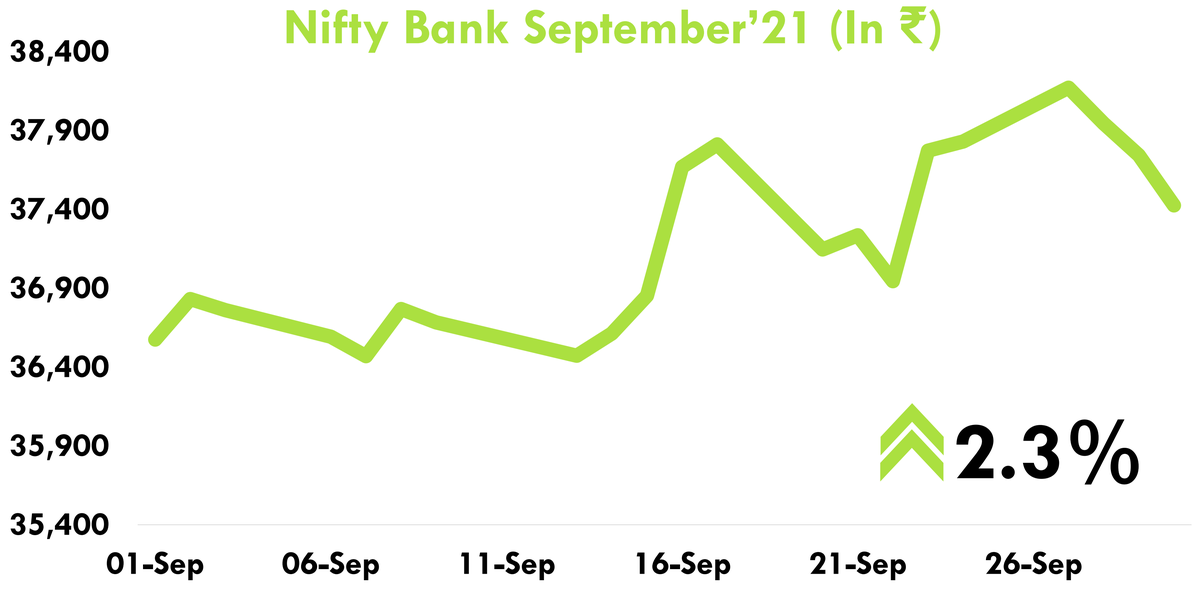
Source: NSE

Banking Sector

The index increased overall as the Banks got relief from severe stress this month following the NARCL policy announced by the government. Analysts believe that as long as the sector has constant support from the government and the economy is doing good, the stocks will be valued appropriately.

The top loser in the index was AU Small Finance Bank, which fell by 10% MOM, as changes in top-level management have significantly rattled investors, resulting in a negative market reaction.

Nifty Bank September'21 (In ₹)



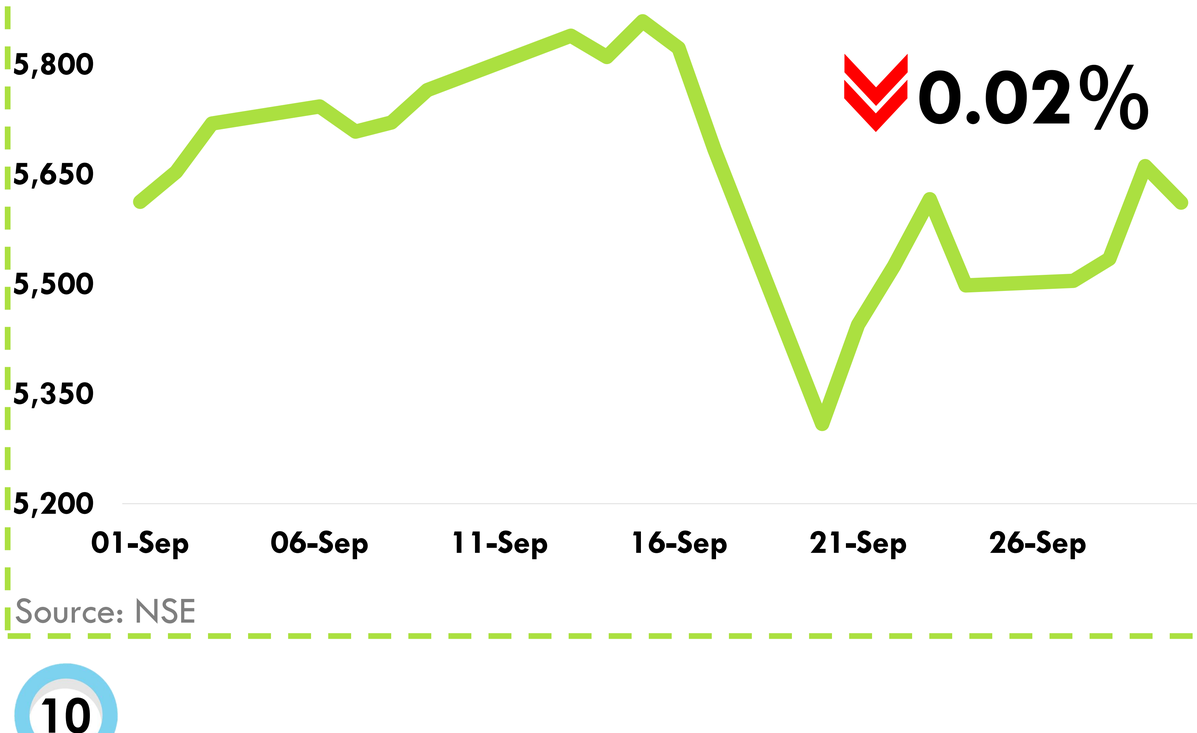
Source: NSE

Metal Sector

Overall, the metal markets were tremendously volatile. Companies saw themselves under strain as the Indian Government increased GST rates of certain materials in parallel with low demand for production this month.

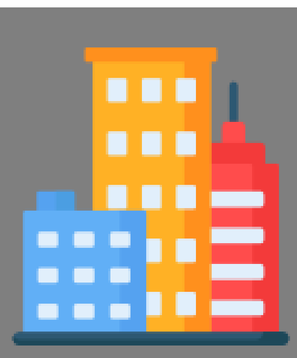
The top gainer in the index was Coal India limited, which rallied by 29%, MOM after the company signed 1,880 crores worth natural gas deal.

Nifty Metal September'21 (In ₹)



Source: NSE

Realty Sector



The world fears another "2008 Financial crisis", yet Indian realty stocks soared high. The index increased significantly due to the government's support through favourable schemes, lower interest rates, and the economy gliding.

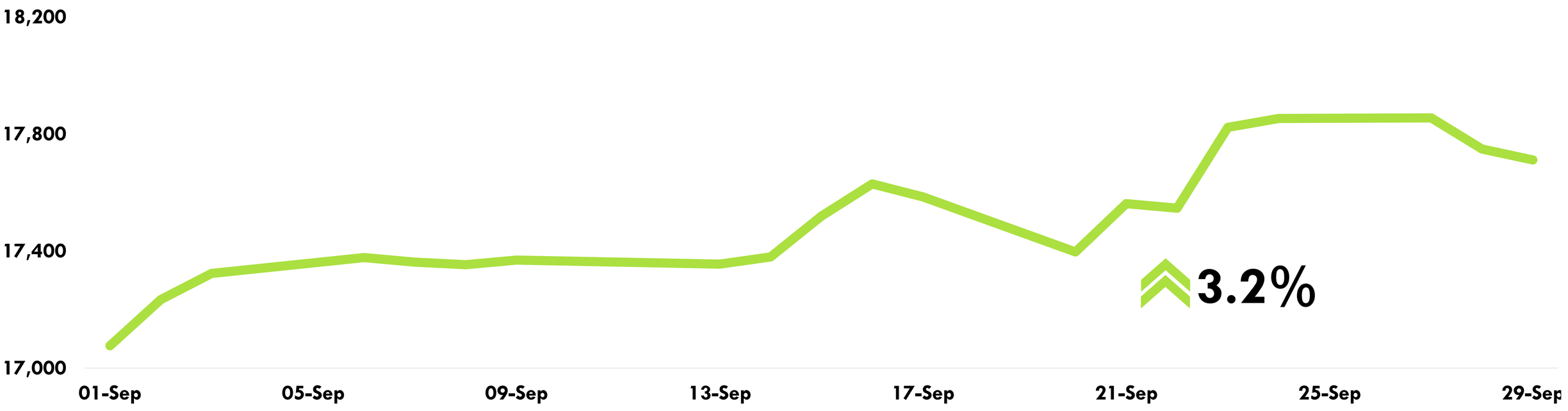
The top gainer in the index was Godrej Properties Ltd. which rallied by 55% MOM after the company captured sales worth ₹575 crores in a day following the launch of their second phase projects.

Nifty Realty September'21 (In ₹)

Source: NSE

NIFTY50

NIFTY50 September'21 (In ₹)



Source: NSE India

Banking, IT, and realty shares led to the stock market surge as investors took cues from the positive global markets. The diminishing fears of COVID-19 due to the rising pace of vaccination programs also aided the recovery of the index this month.

SBI Cards and BPCL have Launched a Co-Branded RuPay Credit Card

The BPCL SBI Co-branded RuPay contactless credit card will offer substantial gasoline discounts, as well as significant savings on non-fuel categories such as grocery, restaurants, movies, and other items. On every ₹100 spent on gasoline purchases at Bharat Petroleum petrol stations and non-fuel categories, users of the BPCL SBI Card RuPay will get 13X and 5X reward points, respectively. The card would also waive a 1% gasoline levy on all transactions up to ₹4,000. The card will help to expand SBI Card's portfolio on the RuPay network. In addition, the card is in keeping with BPCL's ongoing efforts to deliver better value for its customers' gasoline purchases while also expanding its client base.

TCS achieves market cap reaches $200 billion

The market value of Tata Consultancy Services (TCS), India's largest software exporter, surpassed $200 billion. TCS' stock has increased 35% this year, despite a robust rally in IT stocks. TCS has been on a rising trend owing to the pandemic, which has accelerated digital transformation.

TCS recorded a sales increase of 18.5% YoY in Q1FY22, totaling ₹45,411 crores. With a total contract value of $8.1 billion, the deal signing was powered by expansion across industries and verticals.

The corporation took 13.5 years to reach $100 billion in market capitalization, while the next $100 billion took 3.5 years.

Top Gainers in NIFTY50 for September'21

Company Name	Change (%)
Coal India	28.9
NTPC	23.4
ONGC	20.3
Indian Oil	16.7
Kotak Bank	15.5
Titan	15.1
Tata Motors	14.2
ITC	13.5
Grasim Ind.	13.5
RIL	10.9

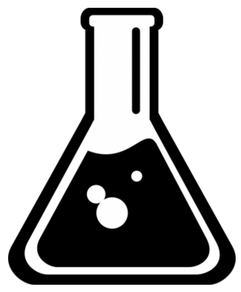
Source: NSE India

Top Losers in NIFTY50 for September'21

Company Name	Change (%)
Tata Steel	-10.5
BPCL	-8.5
Divis Labs	-5.9
Tata Consumer	-5.4
UPL	-4.4
Ultratech Cement	-4.0
Tech Mahindra	-2.7
JSW Steel	-2.7
Axis Bank	-2.2
ICICI Bank	-1.8

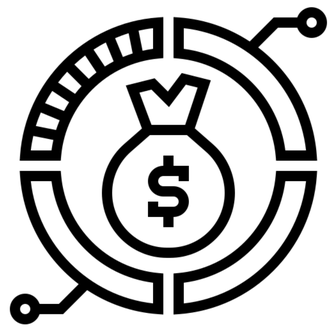
IPO

Ami Organics



Ami Organics Limited is a Gujarat-based R&D-driven manufacturer of specialty chemicals where the focus is on the production of pharma intermediates for specific key APIs, new chemical entities, important raw materials for agrochemical and fine chemicals. With 450 products on the market, the brand has grown significantly in terms of market share despite the dominance of Chinese suppliers. The company planned to raise ₹570 crores at ₹610 per share but got listed on the NSE at a massive premium of 49.18% at ₹910. With ₹200 crores in a fresh issue of shares and the rest as OFS, the company intends to repay its debt and fund its working capital requirement. The company is already up 37% since its listing on 14th September.

Aditya Birla Sun Life AMC

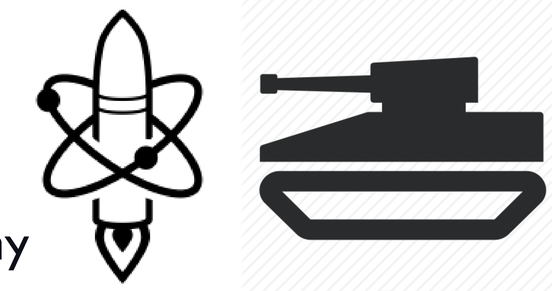


Aditya Birla Sun Life AMC, a joint venture between Aditya Birla Capital and Canadian firm Sun Life AMC, is set to make a debut in the first week of October. It is the country's largest non-banking affiliated fund house with an AUM of more than ₹3 trillion as of July 2021 and the 4th investment management company to get listed on the exchange. The IPO is entirely an offer for sale where the two promoters together are expected to dilute 13.5% of their stake. The company intends to raise ₹2,768 crores through a public offering, with a projected range of ₹695 to ₹712 per share. The funds obtained will be distributed to shareholders, and the corporation will not benefit financially from the offer.

This Month IPO Highlights

AMI ORGANICS LIMITED	BEW	VIJAYA DIAGNOSTIC CENTRE	SANSERA ENGINEERING	Paras
₹570 cr.	₹3.97cr.	₹1895cr.	₹1283 cr.	₹170.78cr.

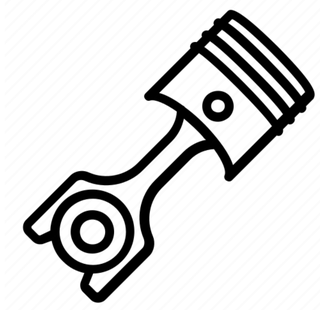
Paras Defence and Space Technologies Ltd.



Paras Defence and Space Technologies Ltd. is a defence and space application-focused company operating in five key business verticals; Defence Electronics, Heavy Engineering, Defence & Space Optics, Niche Technologies, and Electromagnetic Pulse Protection Solutions. The company made history by becoming the most heavily subscribed (304 times) IPO in the Indian capital market.

Non-institutional investors were overwhelmingly supportive, as their stake was oversubscribed by nearly 928 times. The company was trading at a massive premium of 131-143% in the grey market. The government's strong backing for the Atmanirbhar Bharat initiative, rising private sector investment in the defence sector, company's R&D capabilities, its monopoly in space optics and optomechanical assembly design, and its relationships with a diverse set of customers, including numerous government organizations, are its greatest assets and the same has attracted investors.

Sansera Engineering



Sansera Engineering, one of the top ten global providers of connecting rods in the light and commercial vehicle segments, entered the capital market with a remarkable listing at a 9% premium. The ₹1,283 crore public issue was over-subscribed by 11.47 times and got listed on BSE at ₹811.35 with the P/E of 36.2x based on FY21 earnings. The issuance is entirely a shareholder's offer for sale (OFS) of 17.24 million equity shares. The firm is India's leading supplier of connecting rods and rocker arms to automobile manufacturers. It has strong credentials, such as a 20-30-year relationship with Honda Motorcycle and Scooter India, Bajaj, and Maruti. Its investor interest stems from its leadership in precision-engineered component supply, competitive valuations, strong relationships with OEMs across the globe, and well-diversified portfolio of segments, products, consumers, and geography.

RISK

A Revised Risk Management Framework for the Mutual Fund Industry

Market regulator SEBI has revised the Risk Management Framework (RMF) for the MF industry, which will come into force from 1st January, 2022. The framework outlines the management's procedures, risk management functions, roles, and duties. According to the circular, AMCs should have a Chief Risk Officer (CRO) responsible for the overall risk management of the MF operation, including significant risks. They must also create an RMF for their MF business, which will be an integral part of the MFs' operational and strategic procedures and governance structure. The circular further said that risks connected with managing distribution networks and processes around commission distributions must be monitored. The AMC will be held liable for mis-selling by anyone involved in MF sales, such as distributors. All salespeople and distributors must be NISM-certified, and mutual funds must do a comprehensive study to see whether there is any miss-selling at the AMC level.

IOSCO Issues Guidance to Mitigate AI and ML Usage Risks

According to IOSCO, AI and ML may help market intermediaries, asset managers, and investors by improving the efficiency of existing procedures, lowering the cost of investment services, and freeing up resources for other tasks. It may, however, generate or exacerbate risks, compromising financial market efficiency and hurting consumers and other market players. Following are the measures:

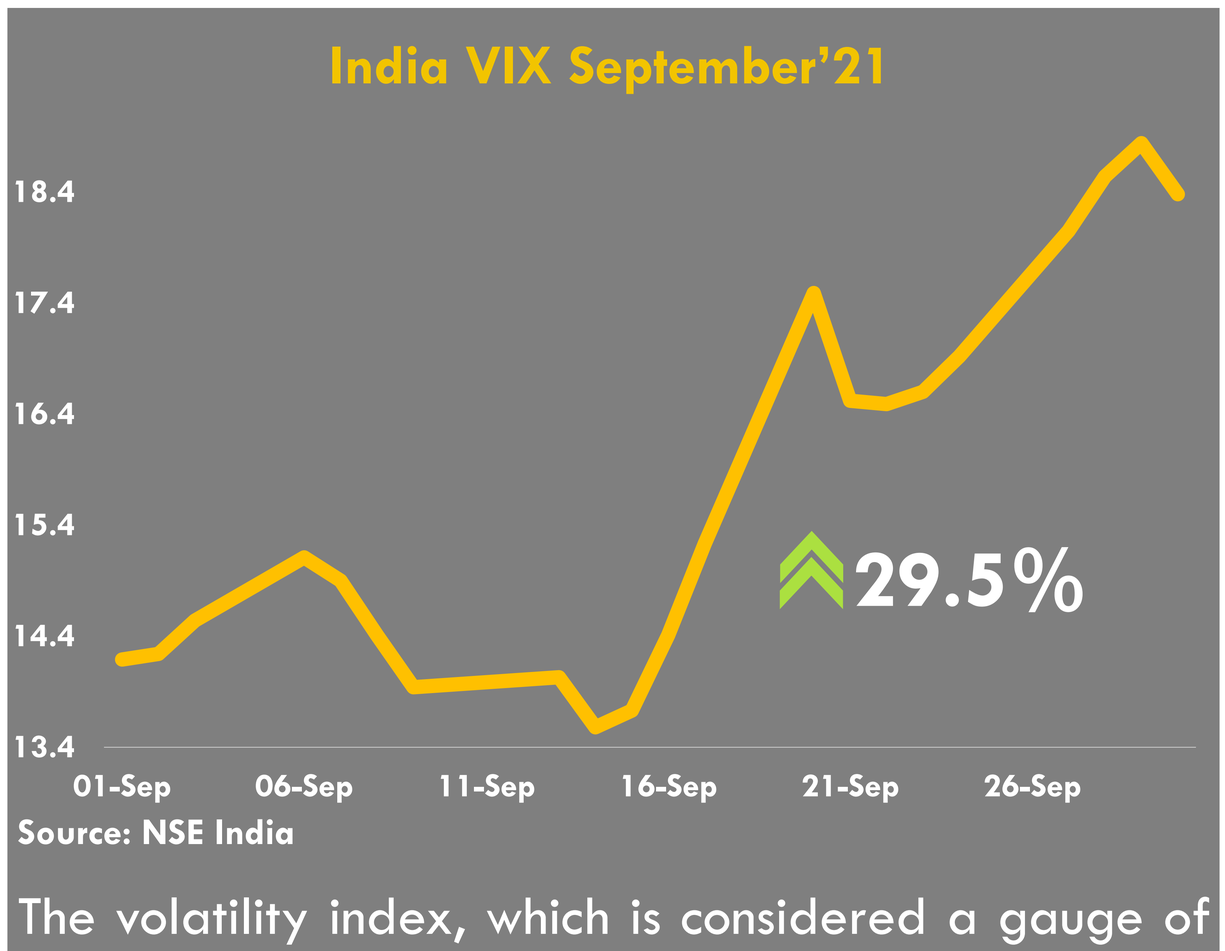
- Appropriate governance, controls, and oversight frameworks for AI and ML development, testing, usage, and performance monitoring;
- Staff have the necessary expertise, ability, to deploy, monitor, and evaluate AI and ML results;
- Appropriate openness and disclosures to all relevant stakeholders; and
- Robust, consistent, and clearly defined development and testing processes to enable businesses to discover possible concerns before full deployment of AI and ML.

Climate Risk has Banks and Regulators Worried

Climate change and its ramifications are rapidly recognized as a significant risk driver for the financial system by governments, regulators, and financial businesses, according to Reserve Bank of India Deputy Governor M Rajeshwar Rao.

Climate risk may affect the financial sector in two ways. First, there's physical risk, which entails financial losses as weather occurrences become more severe and frequent. Second, there are transition risks that develop when India attempts to move to a low-carbon economy. Given its unprecedented nature, it becomes difficult to assess and quantify this type of risk.

The RBI is considering incorporating climate-based risk into financial stability monitoring, developing in-house capability for climate risk assessment and monitoring, and collaborating with other financial authorities on a low-carbon economic transition. The central bank has recommended financial entities have a strategy to tackle climate change risks and applicable governance structures.



The volatility index, which is considered a gauge of short-term volatility, has increased in September even as the market benchmarks maintained their record-breaking frenzy. The index has risen by more than 29.5% in the last month, while Sensex and Nifty have gained approximately 3.1%. From the above erratic movements in the graph, we can deduce a high volatility market and the anxiety among investors.

DERIVATIVES

LSE abandons loss-making Derivatives Exchange

After failing to compete against rivals in the European bond market, the London Stock Exchange (LSE) Group has decided to close its loss-making derivatives exchange CurveGlobal Markets. The five-year-old exchange will stop operations at the end of January'22. Since there were no open positions, several contracts, such as German government debt futures and long-dated UK gilts, will instantly cease trading.

CurveGlobal had made its last effort to attract individual traders by providing free trading and other incentives. Under other incentive scheme, monthly cash awards to proprietary traders in return for trading on the platform has already been stopped. Some exchange contracts will also have their trading hours reduced. After 28th January 2022, any open positions will get paid in cash at London Clearing House, CurveGlobal's clearinghouse.

A Malaysian Derivatives Virtual Trading Challenge, 2021

Bursa Malaysia Derivatives Bhd has launched its first countrywide Derivatives Virtual Trading Challenge to increase millennial interest in the Malaysian derivatives market. According to the exchange, the challenge will provide new investors with the knowledge they need to begin trading derivatives responsibly.

The participants would compete in a virtual environment that replicates live futures markets using the BursaMKTPLC Derivatives Trading Simulator. Each participant will be given a virtual account with RM100,000 to trade in Bursa Malaysia Derivatives Crude Palm Oil Futures (FCPO), FBM KLCI Index Futures (FKLI), FBM Mid 70 Index Futures (FM70), and 5-Year Malaysian Government Securities Futures (FMG5) Contracts, which are all existing derivatives products. The top 15 contestants with the highest account balance will get RM20,000 in prizes, with the winner earning a cash award of RM7,000.

Barclays Sued for $326 million in Dutch Housing Derivatives Case

For its alleged role in a derivatives disaster that nearly put a Dutch affordable-housing provider out of business, Barclays Plc sued for €279 million ($326 million). Stichting Vestia was on the verge of bankruptcy in 2012 after losing over 2 billion euros on derivatives that were supposed to be part of a hedging strategy but turned out to be flawed owing to bribery. It had already sued several banks, including Deutsche Bank AG, over the issue, and in July, it turned its attention to Barclays in a separate complaint. Vestia was accused of paying an intermediary over €1.5 million in fees on derivative transactions with Vestia between 2008 and 2011, according to documents filed with the UK High Court last month. Vestia's treasurer, indicted of being bribed at the time, received roughly half of the commissions.

Futures & Options

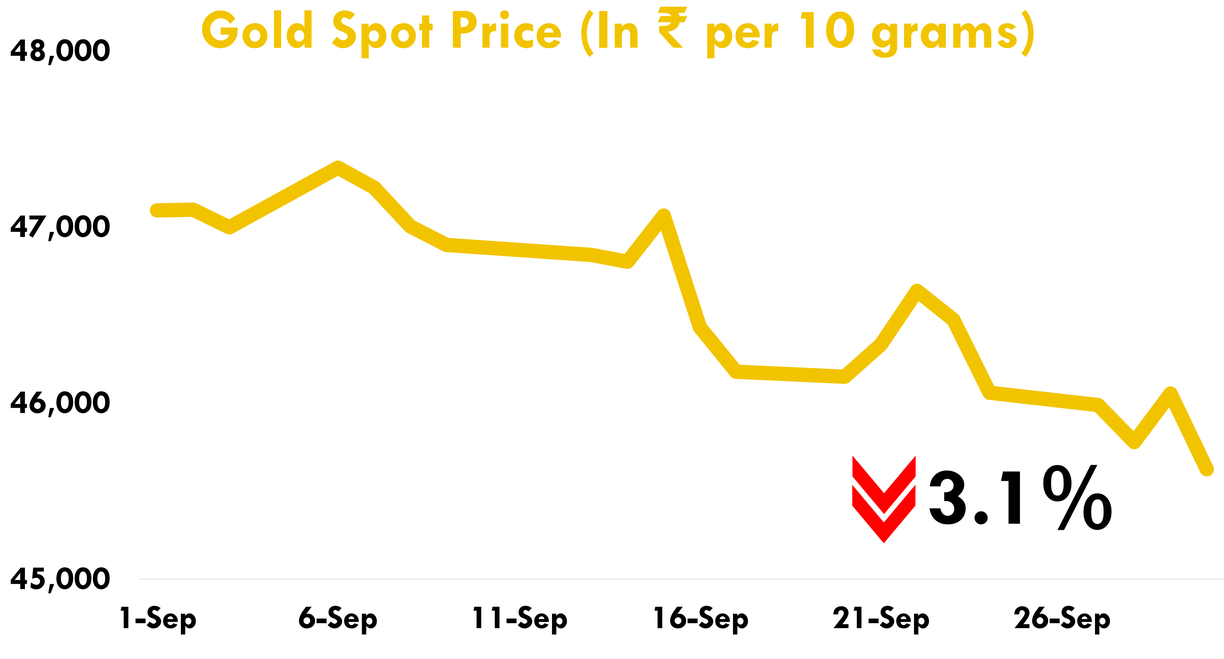
Paytm Money Launches F&O Dashboard for Retail Investors

Paytm Money has introduced India's first-of-its-kind F&O dashboard in response to a lack of access and information asymmetry, which leads to poor trading decisions. The dashboard provides access to technologies that were previously exclusively available to institutional clients. The derivatives market is the most active in India, accounting for about 95% of the total trading volume on exchanges.

Users get access to all of the information they need to make educated derivatives transactions with a single click. The dashboard's interactive graphics inspire the viewer to dig deeper, making it an educational experience. The dashboard is a highly effective tool for both new and experienced traders since it provides visual insight on top of complete derivatives data. Options chains for stocks and indices, open interest analysis, option Greeks, and a heat map for futures trading are key aspects of the dashboard. The dashboard also displays the performance of significant global indexes and institutional flow statistics, providing consumers with important contextual information.

COMMODITIES

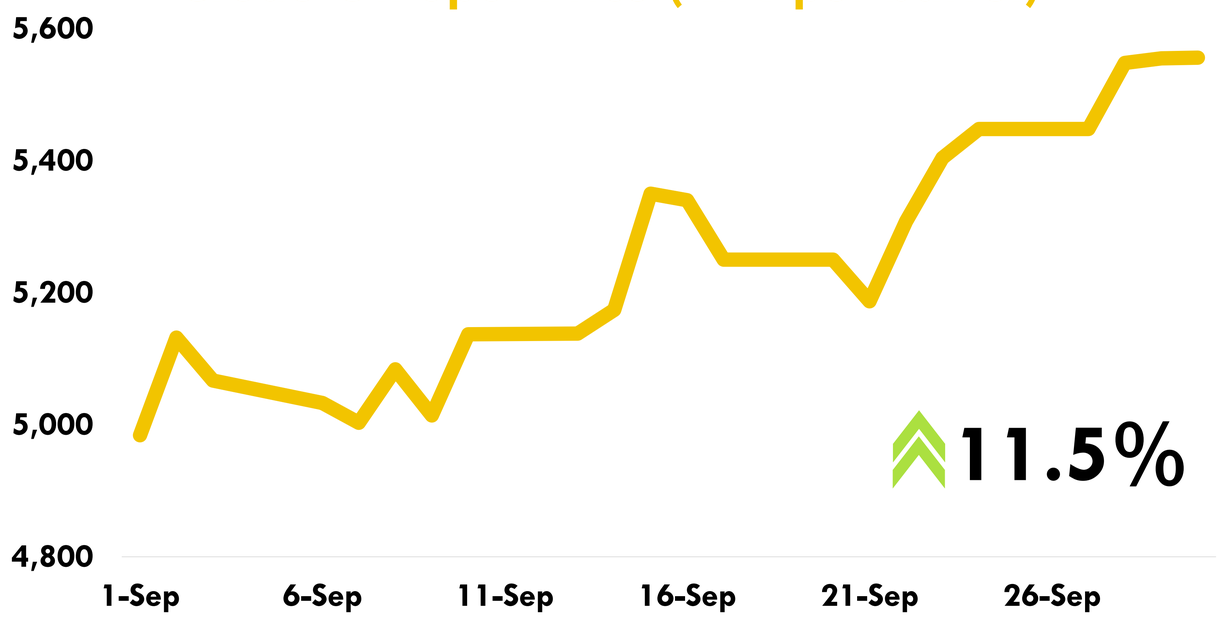
Gold Spot Price (In ₹ per 10 grams)



Source: MCX

This month, gold prices plummeted to a four-month low after the US Federal Reserve revealed intentions to hike key interest rates by 2023. The yellow metal weighed down when the dollar index reached a four-week high, and the US 10-year bond yield crossed the 1.44 mark. However, the precious metal was supported by disappointing economic data and concerns about the Chinese economy.

Crude Oil Spot Price (In ₹ per barrel)



Source: MCX

Crude oil prices have risen to multi-year highs as winter is approaching and the US crude inventories fall. Oil producers halted production ahead of Hurricane Ida, resulting in a sharp decline in output. Despite OPEC increasing its monthly production and China announcing oil sales from its state reserve, prices continued to rise. The rise in European energy prices over the summer has also helped the commodity.

How Long will the Commodity Supercycle Last this Time?

Commodity prices worldwide have surged as economies recover from the pandemic, sparking a debate of possible commodity supercycle.

A commodity supercycle occurs when there is a structural upward shift in the demand.

The previous supercycle occurred in 2002 and lasted until 2008 when China entered an extended period of economic growth. Analysts believe that the transition to green energy will be the primary driver of this supercycle. Rising inflation expectations, a subsequent increase in investor demand for inflation-hedging assets, expectations for stronger global growth, surplus liquidity, historically low real interest rates, and fiscal stimulus contributed to a market boost. The large-scale adoption of electric vehicles will increase the demand for battery metals such as lithium, cobalt, nickel, etc.

The spike might be short-lived as China is trying to curb its CO2 emission by pressurizing steel make to rein its output.

SEBI Approved Framework for Gold Exchange

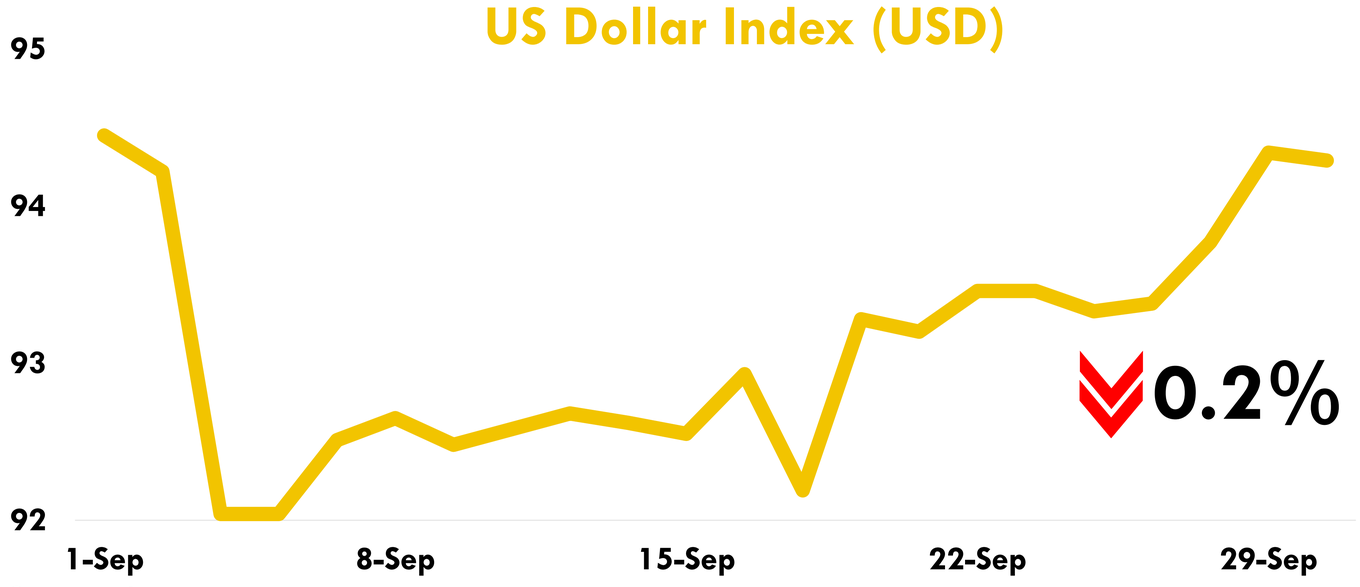
Gold now can be traded electronically in the form of electronic gold receipts (EGRs), which will have features similar to any other security. Any recognized stock exchange, both existing and new, can begin trading in EGRs. The holder of EGR can also use it to purchase physical gold. If this product gets acceptance in the market, the gold markets will become more efficient. In the future, new derivative products with gold as the underlying asset may be introduced.

Australia Plans to Set Up Loan Facility for Critical Mineral Projects

The Australian federal government is establishing a $2 billion loan facility to bridge the funding gap in critical mineral developments. Australia is a major supplier of minerals used in satellites, lasers, and electric vehicle batteries and the world's largest supplier of rare earth after China. The fund will aid new developers as it is challenging to raise funds because mining, processing, and marketing of these critical minerals are hard. It will also create new opportunities in construction and infrastructure development.

CURRENCY

US Dollar Index (USD)



Source: Investing

The US dollar remained firm compared to other baskets of currencies, however the index is at its highest since mid-August. The Federal Reserve also hinted at hiking interest rates moving ahead. An increase in yields on US treasury bonds is overall attracting investments. However, there might be slight congestion in the US markets as inflation seems to be stickier than predicted.

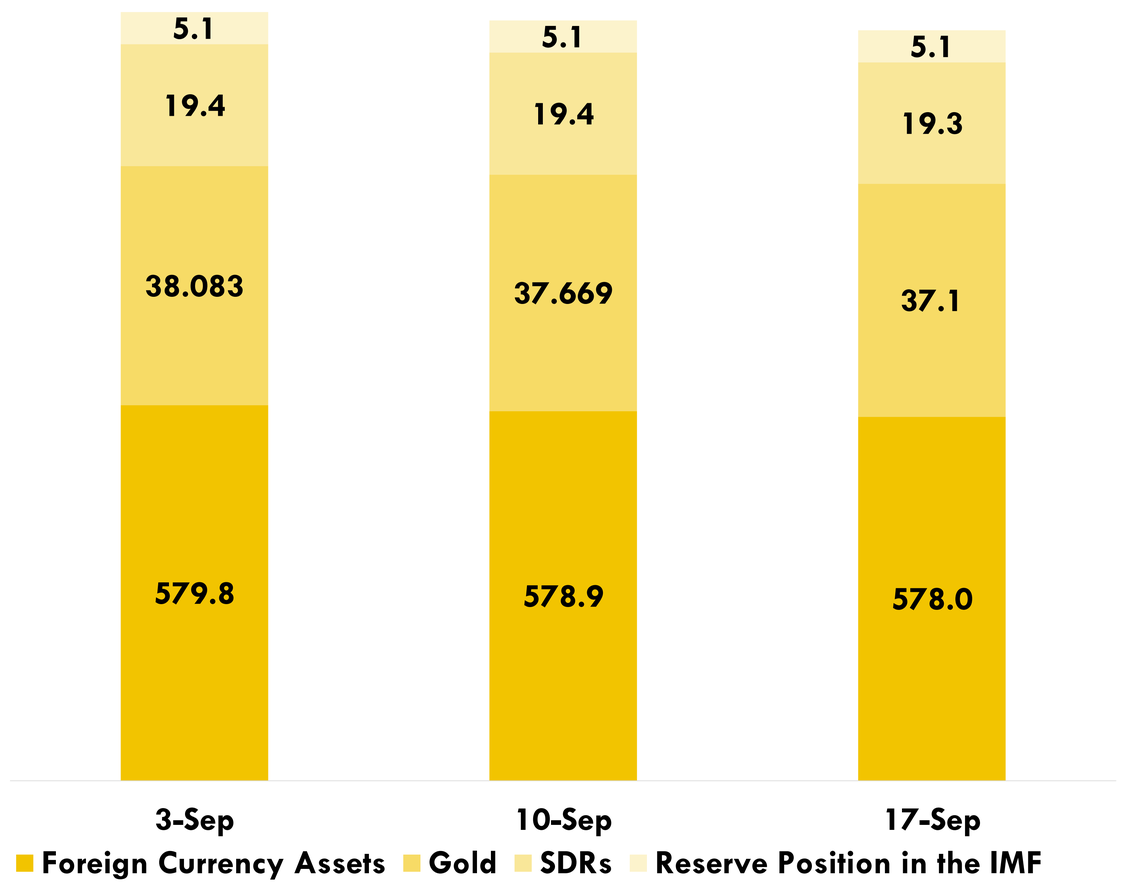
India and Singapore to integrate their fast payment systems UPI and PayNow

Cross-border financial transfers between India and Singapore will become simpler from June 2022, owing to an agreement reached by the Reserve Bank of India (RBI) and the Monetary Authority of Singapore (MAS). Both the Unified Payment Interface (UPI) and the PayNow platforms use comparable payment methods, which will assist both nations in increasing the volume of transaction settlements and lowering the cost of inefficient payments. This alliance will ensure rapid payment mechanisms and help transactions move more quickly and efficiently.

Forex Reserves are down!

Forex reserves have decreased by $1.4 billion to $639.642 billion in September. However, experts foresee a boost in forex reserves with Foreign Direct Investment (FDI) inflows followed by strong equity indices. In addition to improving the healthy accrual of forex reserves, the banking sector and corporates have been issuing AT1 and Green bonds. To avoid infusing rupee liquidity, the central bank looked at shifting its currency operations towards forward markets. Furthermore, the RBI has been engaged in sell-buy market swaps, which have resulted in higher implied rates in recent weeks.

FOREX Reserve (USD Billion)



Source: RBI

Currency	1st September'21	31st September'21	Change (%)	Trend
INR/USD	INR 72.99	INR 74.32	⬇ 1.8	
INR/EUR	INR 86.13	INR 86.15	⬇ 0.02	
USD/EUR	USD 1.18	USD 1.16	⬇ 1.8	
JPY/USD	JPY110.06	JPY 111.94	⬇ 1.7	
CAD/USD	CAD 1.26	CAD 1.28	⬇ 1.1	
USD/GBP	USD 1.38	USD 1.34	⬆ -2.4	
USD/SEK	USD 0.12	USD 0.11	⬆ -2.0	
USD/CHF	USD 1.09	USD 1.07	⬆ -2.0	

Source: Investing

OTHER ASSET CLASSES

Golding Capital Partners Raises €300 Million for their Impact Investing Project

Impact investing offers great opportunities for institutional investors but the biggest challenge is to gain access to the best fund manager and also ensure adequate diversification. Keeping this in mind, Golding Capital Partners, a strategic investment advisory, is launching its first institutional impact fund of funds, known as Golding Impact 2021. The portfolio companies for Golding Impact 2021 will primarily operate in three key sectors:

i) Green solutions
ii) Food and agri-tech
iii) Financial Inclusion Solutions

Golding intends to raise €300 million for the fund and aims for a net IRR of 12% to 14%. The company has committed to becoming carbon neutral by 2025, so the impact investing product is certainly not their last.

Qraft Technologies' AI Adoption in the ETF Industry

The fact that human stock pickers are unable to outperform their benchmark indices is fuelling a massive surge in the amount of money invested in passively managed ETFs. Some companies are now hoping to demonstrate that artificial intelligence can finally provide them with a competitive advantage.

The most prominent example is Qraft Technologies, which saw its technology consecutively build a 14.7% and 7.6% weighting in Tesla in its ETF and selling it a month later, just before the fall. In each case, it anticipated a decline and made profits from the followed recovery when it bought back in.

There was a debate about whether the AI system eliminated human bias, which was supported by a significant number of data scientists. The firm responded by claiming that the system only has past data and identifies possibilities based on the rules it was built with. The AI-based ETF has outperformed its benchmark since its inception.

The Space Sectors Get a Push from Private Equity Players

High-profile launches by billionaire-led firms like SpaceX, Blue Origin, and Virgin Galactic have spurred renewed interest in space exploration. With the expanding space sector, private equity companies are increasing their stakes in an industry where they previously had little presence. Foreign companies have invested around $1.22 billion in US-based space firms, representing a 59% growth in less than a year. The rate at which investments were made is even more startling, since PitchBook Data Inc. documented just $85 million in private equity investment in the space sector from 2018 to 2020.

ATL Partners' investment in Geost LLC, which designs sensors for space missions, is a private-equity agreement related to military engagement in space. GI Partners also made the largest-ever private equity investment in the space sector, investing $1.1 billion in Orbcomm Inc., a provider of satellite communication services. Morgan Stanley estimates that the global space sector will generate $1 trillion in revenue by 2040, thanks to tremendous support from both commercial and government institutions.

Cryptocurrency Crackdown in China

Just a few months after El Salvador became the first country to declare bitcoin as its national currency, China has tightened its grip on cryptocurrencies, imposing a blanket ban on all cryptocurrency transactions and mining. China prohibited using cryptocurrencies in 2013 and 2017, but the repeated bans underscore the difficulties in closing loopholes and detecting crypto transactions. The decision comes amid growing concerns that highly volatile digital currencies could erode the government's authority over the banking and monetary systems, harming investor sentiment. Officials regard cryptocurrencies as a danger to the country's sovereign digital yuan, which is now in a pilot phase. The crypto market saw a tremendous sell-off in the aftermath of the ban, with all major currencies dropping substantially.

AMC

After a Lacklustre July, Life Insurance Premium Grew Moderately in August

Unit-linked products and protection plans drove the increase in first-year premiums. Profitability of companies suffered as companies made provisions/ reserves to mitigate the impact of claims witnessed in Q1FY22 due to the second wave of the pandemic. As per analysts, the sector is expected to have significant growth in FY22 as lockdown restrictions ease and the economy recovers. However, a resurgence in the COVID-19 cases and an increase in the premium rate of the term plan could slow down the growth.

Month	Premium (₹ crore)	ΔYoY
Apr-21	₹ 9,738	44.8%
May-21	₹ 12,977	-5.5%
Jun-21	₹ 30,009	4.0%
July-21	₹ 20,435	-11.1%
Aug-21	₹27,821	2.9%

Source: IRDAI

After Bajaj Finserv Zerodha receives SEBIs approval to set up AMC

Earlier last month Zerodha, received in-principal approval to start its mutual fund business in India from the market regulator. The company applied for a license in February'20 with the vision to grow capital market participants and encourage millennials to invest in mutual funds. The fund intends to invest in sovereign bonds and the top 200 companies to hedge against volatility and inflation while capturing value appreciation. According to the founder, the new fund will be ideal for investors who wish to increase their equity exposure. Following the relaxation of entry barriers by SEBI in 2019, many fintech companies are entering the mutual fund business. Mutual funds are now quite complicated for individual investors, but as more companies enter the market, the product should become simpler and more innovative.

Equity Fund Inflows Slid 61% in August from an all Time High

Inflow into equity mutual funds schemes drop by 61% MoM as investors book profits. Despite the slowdown in the equity scheme, the mutual fund AUM rose to ₹36.59 trillion from ₹35.89 trillion in one month, supported by an unrelenting bull market rally and inflow in NFO. The announcement of additional variable rate reverse repo (VRRR) by RBI and the expectation of tighter liquidity conditions have pushed investors to invest in the floating-rate category in fixed income.

Navi Mutual Fund Aims to Introduce Electric Vehicle Fund

Sachin Bansal-backed navi mutual fund has submitted a scheme information document with the SEBI, comprising of 10 new mutual fund schemes. It majorly consists of passively managed funds, an electric vehicle fund, and a Driving Technology FoF. The STOXX Global Electric Vehicles & Driving Technology NET Index includes stocks of companies involved in producing electric vehicles and advanced driver-assistance systems, and the FoF will track the index's performance

SIP collection at an all-time high in August'21

Participation of individual investors in SIP post-pandemic has been overwhelming, indicating rising retail preference towards mutual funds as a long-term wealth creation avenue. The growth in the SIP was led by advancements in digital technology. SIP AUM has increased by approximately 4.6% MoM and stood at ₹ 5,26 lakh crore.

Month	New Registrations (In lakhs)	Contributions (₹ Crore)
Apr-21	14.08	₹ 8,596
May-21	15.48	₹ 8,819
Jun-21	21.29	₹ 9,156
July-21	23.79	₹ 9,609
Aug-21	24.92	₹ 9,923

Source: AMFI

M&A

ZEE Merges with Sony

The Zee Entertainment Enterprises Ltd. (ZEEL) and Sony Pictures Network India (SPNL) merger, led by current ZEE CEO Punit Goenka, is slated to unleash a new wave of entertainment in India. The proposed merger would result in ZEEL shareholders owning 47.07% of the company and SPNL owners owning 52.93%. Since SPNL focuses on sports and mainstream shows, and ZEEL focuses on regional web series, the current strategy may provide customers with choices. Sony will invest $1.57 billion to improve its platform concerning technology and content, ability to bid for broadcasting rights in the fast-growing sports landscape, and other growth prospects. In terms of distribution and advertising, the combined company's linear network, digital assets, productive divisions, and program libraries will be in a stronger position to compete with Disney. By pursuing improved growth and profitability, ZEEL hopes to become a prominent media and entertainment firm in South Asia.

Billdesk Becomes PayUs Fourth Acquisition

PayU, a Prosus-backed fintech business, acquired India's first payment gateway, BillDesk, in an all-cash transaction worth $4.7 billion, making it the largest acquisition in the Indian digital payment space. BillDesk is mainly responsible for bill payments and the small merchant network, whereas PayU specializes in online payment for e-commerce businesses. Together, the two complementary companies are expected to create a financial ecosystem, handling 4 billion transactions, $147 billion in total value annually, and assist BillDesk to cross its domestic boundaries. PayU will have access to BillDesk's enormous clientele of small traders in India, and with online and UPI transactions growing rapidly, the acquisition would feed the indian digital economy and deliver financial services to those who may have been excluded previously.

Pharmeasy Acquires Aknamed

API Holdings' subsidiary PharmEasy has acquired a three-year-old hospital supply chain management start-up, Aknamed, in a largely stock deal of $180-$190 million with an initial investment of $3.1 billion, just ahead of its IPO. It is PharmEasy's third acquisition this year. With streamlining procurement for over 1200 hospitals, Aknamed enables hospitals to simplify, optimize and monitor their purchase and consumptions. The current purchase of a 67.3% stake in Aknamed is a part of its plan to diversify its services by becoming a big online healthcare firm from an online medicine delivery platform.

HDFC Life Acquires Exide Life Insurance

In one of the insurance industry's largest acquisitions, HDFC Life, a subsidiary of Housing Development Finance Corporation Ltd., has fully acquired Exide Industry's insurance subsidiary, Exide Life Insurance, for ₹6,687 crores. ₹725 crores will be paid in cash, with the remainder distributed to Exide Industries in the form of 87.02 million shares at ₹685 per share. The acquisition provides the acquirer with access to the southern geography as Exide Life has a significant presence in South India, especially in Tier 2 and 3 towns. The company is focusing on expanding its reach by building agency channels and the acquisition will give it an additional nudge, since they will get access to Exide Life's 40,000 advisors. Insurance firms are valued based on their embedded value, and the acquirer believes that the company's embedded value will increase by 10%, which will be a major benefit. The scale of HDFC life, its market-leading digital and product innovation potential, and well-judged risk management techniques will help the acquired business optimize costs and generate higher profits over time.

STRATEGY

Microsoft and OYO Enter into a Strategic Alliance

Microsoft and OYO have agreed to partner on next-generation travel and hospitality goods and technology over a multi-year period. OYO will use Microsoft Azure to drive cloud-based innovations and revolutionize the hospitality and travel IT industries. The solutions will benefit patrons who own small and medium hotels and residential enterprises. Microsoft has also made a strategic equity investment in OYO.

OYO will develop Smart Room experiences for travelers on the OYO platform, such as premium and personalized in-room experiences for its customers, as part of this partnership. The experience will feature self-check-in, a digital record of arrivals and departures, self-Know Your Customer (KYC), IoT-managed smart locks, and virtual help, all powered by Microsoft's Azure IoT.

The pandemic has resulted in significant changes in consumer behavior when it comes to planning trips. As a result of these changes, the workload for small and medium hotel businesses has increased, resulting in a slew of cutting-edge technology and increased tech adoption. With the security and scalability of Microsoft Azure, small and independent hotels and homeowners worldwide will have access to OYO's newest technology to manage their guests' experiences, generate income, and operate operations effortlessly.

MoEVing Collaborates with Piaggio to Supply EVs

Piaggio Vehicles Pvt Ltd (PVPL), a subsidiary of the Italian Piaggio Group, has collaborated with MoEVing, a technology-driven business with a mission to change the electric vehicle ecosystem in India. MoEVing will immediately add 130 Piaggio Ape' E-Xtra FX Cargo trucks to its fleet, with plans to add a total of 500 Piaggio Ape' E-Xtra FX by 2022. The partnership will accelerate the adoption of electric 3-wheelers in India's last-mile transportation segment by combining demand aggregation, supply optimization, and linked charging infrastructure for different applications, including eCommerce.

According to Vikash Mishra, designer of MoEVing, the critical component that Piaggio's Ape' E-Xtra model brings to the table is product quality and lowered daily operating costs. With a 9.5 KW power output, the new Ape' E-Xtra FX is the most powerful electric freight in the class. It features a complete metal body with a handy cargo deck length of 6 feet. A 3 year/1 lakh-kilometer "Super warranty" is included with the vehicles. The Piaggio I-Connect telematics technology provides consumers and PVPL service initiatives with real-time vehicle data tracking.

Yes Bank Collaborates with Visa to Issue Credit Cards

Yes Bank will begin issuing various credit card variations to all its consumers, via Visa's payment network due to their collaboration.

According to Rajanish Prabhu, Head of Credit Card and Merchant Acquisition at Yes Bank, the partnership with Visa adds a new dimension to the bank's continuous efforts to alter and elevate end-to-end credit journeys for its customers. It will help Yes to improve its payment efficiency. On the Visa platform, the Yes First, Yes Premia, and Yes Prosperity credit card suite comprises of nine credit card variations that serve all sectors - consumer cards, business cards, and corporate cards. The Visa co-branded cards come with attractive loyalty schemes that include points that never expire and can be shared or transferred to Yes Bank Credit Card members. Other perks include a favorable foreign currency markup including, several lifestyle advantages such as access to airport lounges and golf club privileges. In addition, the bank is working on completing its technological integration with the National Payments Corporation of India (NPCI) and expects to offer Rupay branded credit cards soon.

Marketing & Branding

How is cred paving its way to becoming a "Gunda" of the credit market?

Cred, a Bengaluru-based start-up launched in 2018, is a mobile application that helps its users make on-time credit card payments and earn rewards for their creditworthiness. This fintech unicorn has bagged quite the attention with its brilliant marketing strategies. In this world of viral reel trends, the company surely knows how to get viral. Earlier in 2019, the company would send out cakes for customer acquisition to its existing users at their workplaces. Upon receiving the cake, users used to get asked, “Who sent you this cake?”, well the answer would be Cred. It urged other co-workers to install the app when asked more about the company. Then during IPL’21, came the top trending advertisement on Twitter, “Indiranagar ka Gunda”. The company introduced The Great for the Good ad campaign, where an ad was released showcasing an angry Rahul Dravid infuriated at a traffic jam. The commercial indicates that receiving incentives for paying credit card bills with Cred App seems absurd; it is like claiming Rahul Dravid has anger issues. What a brilliant way to endorse! However, the company also faced backlash from industry professionals as the concept of using split personalities on 90’s Bollywood celebrities and cricketers did not clear the value proposition of Cred. But Kumar Sanu selling Insurance and a calm Rahul Dravid getting angry has been well worth getting recognized. Cred’s success over visual and engaging marketing strategy helped them turn the target audience into customers.

The music of success- Spotify Sunte Ja!

Remember when kids in early 2000 would download pirated music videos of popular musicians like Taylor Swift and Bruno Mars? At the time, the music industry was under intense pressure to eliminate pirate downloads, and Daniel Ek and Martin Lorentzon turned this challenge into an opportunity by launching Spotify in 2008.

With 155 million subscribers and a 35% global market share, they have a marketing strategy that is continuously evolving. Spotify not just follows trends but also creates new trends. When most brands use traditional social media platforms, Spotify connects to its target customers by communicating through unconventional means. The company was among the first to start meme marketing to attract millennials and Gen-Z through creative billboards. A Billboard meme that will capture everyone's attention. Brilliant! The company initiated a personalized marketing strategy with a global hashtag campaign, #2018Goals, in 2017. The brand employed statistics in this campaign to illustrate that 2018 was an optimistic year for them. The use of #Goals was envisioned back in 2017, and the music labels capitalized on that concept to acquire popularity.

Creating a brand personality that suits its audience's comfort is one of the key aspects of the company. Spotify truly brings out the meaning of “Music can lift any mood” through its appealing marketing.

Bond. James Bond- The 007 Marketing!

From exotic tuxedos to exquisite limited-edition watches, brands not only connect with James Bond, but they also want customers to experience the distinctiveness that he possesses. Brands connect with this suave agent simply because he brings the: charm, fierceness, and sharpness that everyone desires. Brands like Smirnoff’s "Martini, shaken not stirred" have been used for 60 years, and La Perla Grigioperla Lodato’s blue swimsuit wore in Casino Royal remains sold-out across all platforms to date.

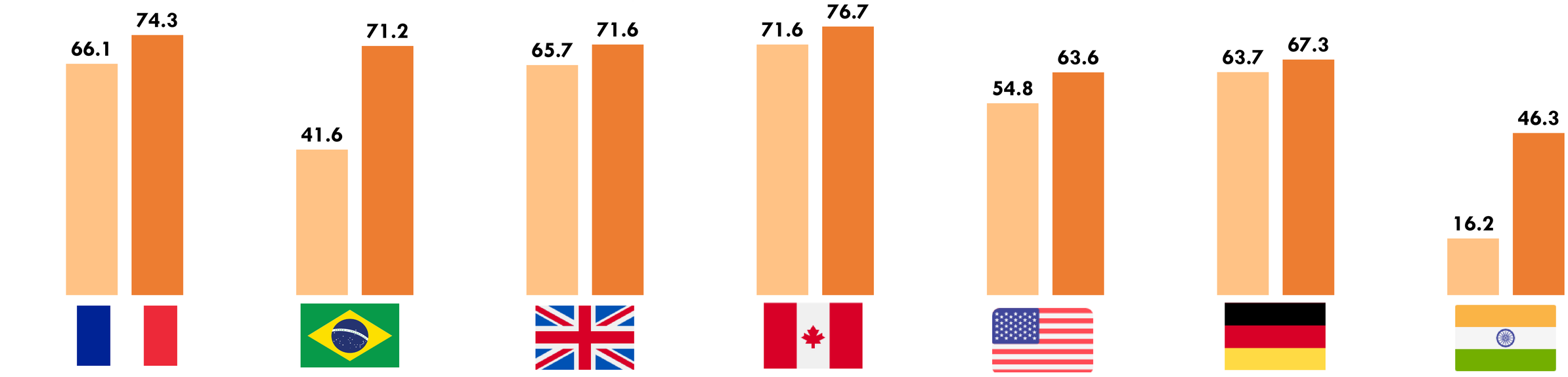
On the other hand, global brands like Heineken, Jaguar, Land Rover, Omega, and many more have returned with the recent James Bond movie “No Time To Die” limited editions. From 4 brands in the first Bond film in 1962 to more than 30 brands connected with the most recent Bond film, No Time To Die, the buzz surrounding James Bond films has only grown throughout markets across the world. Regardless of actors, film office receipts, or a pandemic-induced delay, the franchise remains the golden grail for product placements.

COVID UPDATES

COVID cases across the Globe, data as of 30th Sept
234.6M- Total no. of cases
211.4M- Recovered
18.4M- Active cases
(0.05% are serious and 99.95% are in mild condition)

COVID cases in India, data as of 30th Sept
33.8M - Total no. of cases
33.0M - Recovered
0.3M- Active cases
(0.04% are serious and 99.96% are in mild condition)

Vaccination Status (% of Total Population)



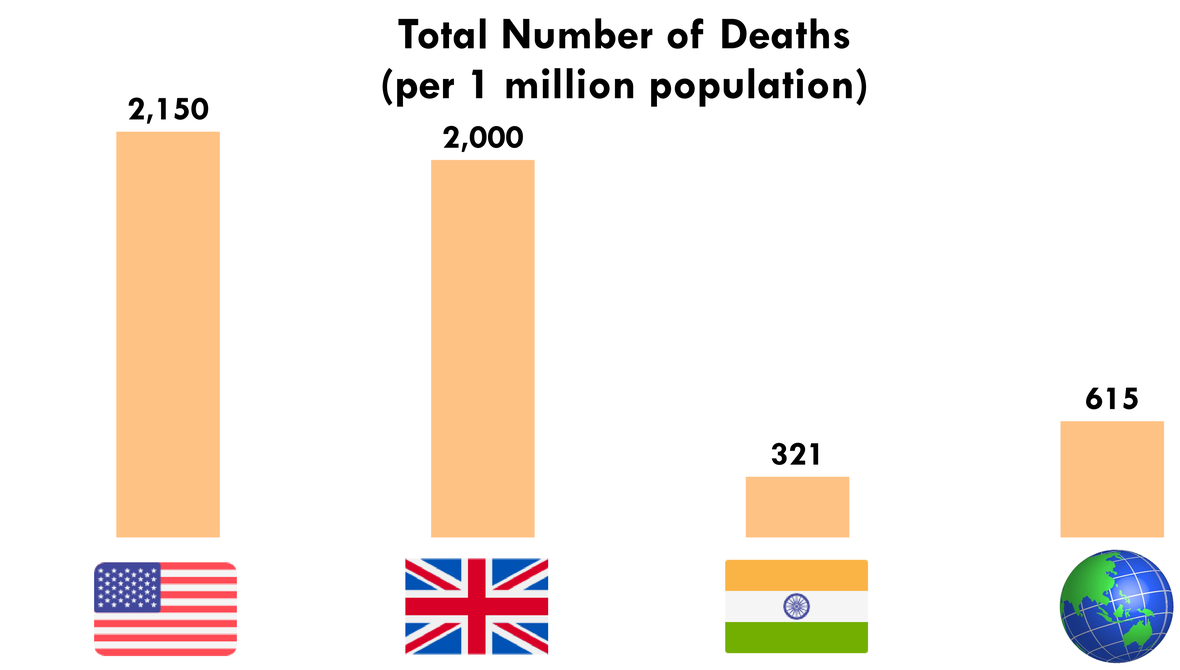
Source: Our World In Data

India to Restart Vaccination Exports from October

The Indian Government has shown its faithfulness to the motto Vasudhaiva Kutumbakam (the world is one family) by resuming the supply of surplus vaccinations and fighting against COVID-19 together under the Vaccine Maitri scheme, the Union Health Ministry confirmed.

Having exported almost 66 million vaccination doses around the world, the government had to halt the export due to the rise of the second wave. The central government's initial approach was to extensively vaccinate the adults.

Health ministry aims to produce 30 crores vaccination doses by October end and at least 100 crores in the next quarter. As per the ministry of external affairs data, the central government has helped 90 plus countries.



Source: Worldometers

Travelling to the UK? Here's What You Need to Know

The UK eases its entry restrictions as it plans to reopen for vaccinated travellers by October 4th. Officials advise that passengers must have completed their course of two doses of an authorized vaccine before 14 days of arrival in England. Based on traveller nations classification, the concept of traffic-light categories was given in May by the UK government: Red, Amber, and Green. The amber includes Indians, who have taken the COVID-19 test two days before their departure, followed by the standard 10-day quarantine.

Fully Vaccinated Indians May Soon Get to Travel to the US

Former President Donald Trump, had strictly imposed a ban on foreign passengers from entering the US. However, from early November, the Biden-led government plans to withdraw the travel ban on all passengers, and officials have stated that, in addition to vaccination, individuals would be subject to contact tracing and testing. The US government also indicated that India would be allowed to enter after the passengers get fully vaccinated. Currently, the US does not permit the entrance of non-US citizens, but as per the new policy, fully vaccinated passengers can show a proof of negative test three days from their departure.

PINION POLL

"To be sure, securitization volume after the second wave remains a pale shadow of what it was before the pandemic began. What's encouraging, however, is the limited decline in collections after the second wave. The ongoing recovery should improve investor confidence and increase interest in securitization transactions."

-Rohit Inamdar, Senior Director, CRISIL Ratings Ltd.

"Scaling up the legacy systems won't work, the industry needs to break free and navigate to a digital future."

-Vadiraj Guttal, Health-Tech Leader, Infosys

"The value should be associated to the complexity of the problem, not the elegance of the solution."

-Rajesh Gopinathan, CEO & MD, Tata Consultancy Services

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