

PROMETHEUS FINSIGHTS

Fortnightly Newsletter of the Prometheus Finance Club, Alliance University

NEWS & FEATURES

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Quotes For The Month

- "The stock market is filled with individuals who know the price of everything, but the value of nothing".
- Philip Fisher
- "Finance is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship and, therefore, about achieving the good society".
- Robert J. Shiller
- "Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver".
- Ayn Rand

RBI Insights as on March 31, 2021

POLICY RATES:

Policy repo rate: 4.00%

Reverse repo rate: 3.35%

Marginal standing facility rate: 4.25%

Bank Rate: 4.25%

RESERVE RATIOS:

Cash reserve Ratio: 3%

Statutory liquidity ratio: 18.00%

LENDING / DEPOSIT RATES:

Base rate: 7.30% - 8.80%

MCLR (overnight): 6.55% - 7.05%

Savings Deposit Rate: 2.70% - 3.00%

Term Deposit rate >1 year: 4.90%-5.50%

Source: <https://www.rbi.org.in/>

Exchange Rates

AS ON MARCH 31, 2021

| Indian Rupee | 1.00 INR |
|---------------|----------|
| INR / 1 USD | 73.12 |
| INR / 1 GBP | 100.85 |
| INR / 1 EUR | 85.84 |
| INR / 100 JPY | 66.03 |

Source: <https://www.x-rates.com>

Indices of Stock Market

PRICES AS ON MARCH 31, 2021

| Name | Current Value | Change | %Change |
|-------------------|---------------|---------|---------|
| Sensex | 49,509.15 | -627.43 | -1.25 |
| Nifty 50 | 14,690.70 | -154.40 | -1.40 |
| Nifty Banks | 33,303.90 | -571.2 | -1.69 |
| Nifty Mid-cap 100 | 23,693.15 | 83.75 | 0.35 |
| WPI (Feb 2021) | 2.26 | | 1.36 |

Source: www.moneycontrol.com

NHAI TO RAISE RS 1 LAKH CRORE THROUGH MONETIZATION OF HIGHWAYS

National Highways Authority is planning to raise Rs 1 lakh Crore Through Monetization of the National Highways in the next 5 years, as this move will help in better usage of assets and also unlocking the value of investment made in creating the infrastructure.

Read more at: <https://cutt.ly/5cQ7zG6>

PRIVATIZATION A ROUTE FOR PUTTING INDIA ON SUSTAINABLE GROWTH

The Budget last month unveiled the massive privatization drive of the state-run enterprises. The objective is to minimize the presence of central government public enterprises, including financial institutions and creating new investment space for the private sector for a competitive growth of the Indian Economy.

Read more at: <https://cutt.ly/lcQ7Wy9>

ADANI PORTS TO BUY 58% STAKE IN GANGAVARAM PORT

Adani Ports and Special Economic Zone (APSEZ), India's largest private ports and logistics company and the flagship transportation arm of the diversified Adani Group, is acquiring a 58.1% stake held by DVS Raju and family in Gangavaram Port Limited (GPL)," the company said in a statement.

Read more at: <https://cutt.ly/lcQ7TZb>

FUTURE GROUP IN DEEP TROUBLE

Future group is trying to get the BIG BAZAAR deal finalized as soon as possible with Reliance to save the other business as Future group is also going in the direction of Bankruptcy.

Read more at: <https://cutt.ly/dcQ7Oyk>

TATA SONS PLANS STAKE SALE IN TATA CAPITAL, OTHER FINANCIAL SERVICES UNITS

Tata Sons Ltd has reportedly started exploratory talks with global investment banks to sell stakes in some of its financial units. The Tata Group holding company's financial services units include Tata Capital Ltd and Tata Asset Management Ltd. It must be noted that Tata Group has not yet taken the final call on the quantum of divestment and how much it wants to raise from the proposed stake sales.

Read more at: <https://cutt.ly/mcQ7DtZ>

SAUDI ARAMCO'S RISING OIL FORTUNE TO SPEED UP RELIANCE O2C DEAL

As an executive quoted "Aramco sees Reliance O2C as the dedicated buyer of its crude. When the uncertainties rule the oil world, building a relationship in one of the largest oil-consuming countries will solidify its position for future".

Read more at: <https://cutt.ly/NcQ7JLg>

INDIA FARM SECTOR NEEDS POLICY, FINANCIAL SUPPORT TO REALISE FULL POTENTIAL OF AI: NASSCOM

IT industry body NASSCOM on Thursday said a policy and financial support is necessary for India to realize the full potential of artificial intelligence (AI) in the agriculture sector, which still faces many challenges.

Read more at: <https://cutt.ly/YcQ7CdA>

LOAN MORATORIUM CASE: SC VERDICT MAY HIT BANKS IN SHORT-TERM

The Supreme Court (SC) pronounced the verdict on the loan moratorium case on Tuesday and declined to extend the six months loan moratorium, observing further that the waiver of complete interest is not possible. The apex court said that the waiver of complete interest is not possible as it affects depositors.

Read more at: <https://cutt.ly/McQ7B3g>

NXP TIES UP WITH IT MINISTRY, FABCI; LAUNCHES SEMICONDUCTOR INCUBATION, ACCELERATION PROGRAM

To find, facilitate, and mentor semiconductor and IP design start-ups across India, Dutch semiconductor manufacturer NXP in collaboration with the Ministry of Electronics and Information Technology (MeitY) and Fabless Chip Design Incubator (FabCI), IIT Hyderabad, has launched the maiden 'Semiconductor Startup Incubation and Acceleration Programme'.

Read more at: <https://cutt.ly/qcQ70HI>

CSR FUNDS NOT USED FOR IMPLEMENTING GOVT SCHEMES: MOS FINANCE

Funds under Corporate Social Responsibility of the Companies are not used to implement the Central Government schemes. The government itself is making adequate funds available to implement the schemes rolled out. Anurag Thakur made this clear in the Parliament.

Read more at: <https://cutt.ly/lcQ73Nf>

NCLT EXPECTED TO WITNESS SURGE IN INSOLVENCY CASES

The National Company Law Tribunal (NCLT) may see a surge in cases as a year-long suspension on the Insolvency and Bankruptcy Code is coming to an end next Wednesday. The Ministry of Corporate Affairs will unlikely extend the one-off relaxation next week with India fast regaining business normalcy and ranking among the top five globally in vaccinating its citizens, said multiple sources familiar with the matter.

Read more at: <https://cutt.ly/pcQ77oo>

INDIA NEEDS TO SPEED UP VACCINATION DRIVE: RBI

Observing that the vaccinations have moved beyond health workers to senior citizens, but at 3.3 crores as of March 16, the entire process needs to be speeded up. The inflation is also rising and that is also posing serious concerns on the economy.

Read more at: <https://cutt.ly/kcQ76CG>

Industry Analysis – Banking Sector

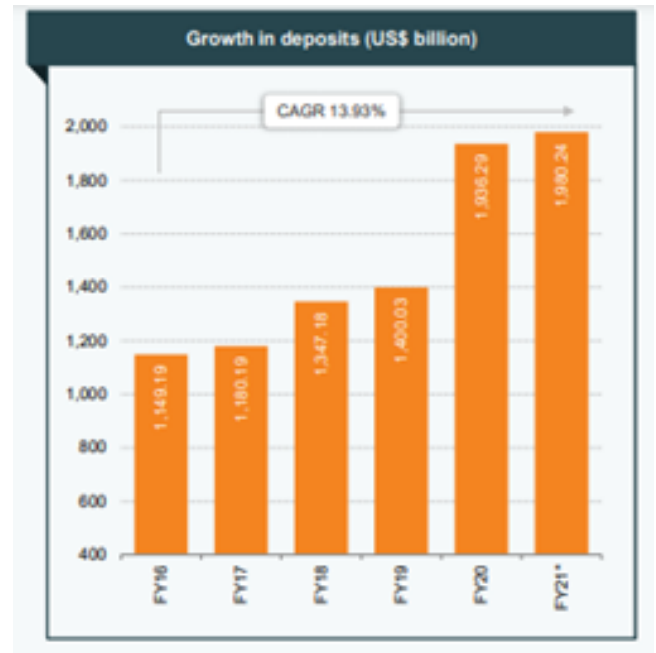
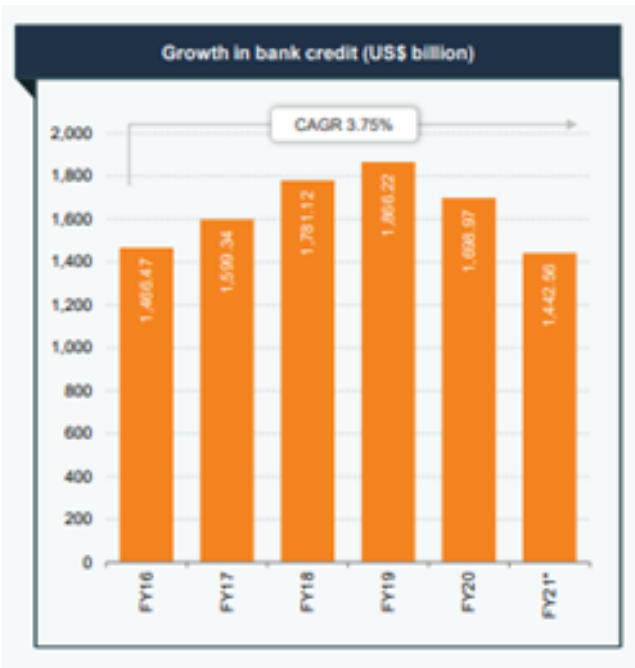
India's total lending has increased at a CAGR of 10.94% during FY07-19 and total deposits have increased by 17.2% in FY19 and are poised for further growth due to demand for housing and personal finance.

There is a higher ATM penetration in India. The total number of ATMs increased to 209,881.

In 2020, 43 regional rural banks were operational in the country. RBI has allowed rural banks with a net worth of at least US\$ 15.28 million to launch internet banking facilities.

INDIAN BANKING SECTOR HAS GROWN AT A HEALTHY PACE

- According to RBI, bank credit and deposits stood at Rs. 105.49 trillion (US\$ 1.44 trillion) and Rs. 144.82 trillion (US\$ 1.98 trillion), respectively as of December 18, 2020.
- During FY16-20, bank credit grew at a CAGR of 3.75%. As of FY20, total credit extended surged to US\$ 1,698.97 billion.
- Demand has grown for both corporate and retail loans. Services, real estate, consumer durables, and agriculture allied sectors have led the growth in credit.
- Access to the banking system has also improved over the years due to persistent effort from Government to promote banking technology and promote expansion in unbanked and non-metropolitan regions.
- At the same time, India's banking sector has remained stable despite global upheavals, thereby retaining public confidence over the years.
- Bank accounts opened under the Government's flagship financial inclusion drive Pradhan Mantri Jan Dhan Yojana (PMJDY) reached 40.05 crore and deposits in Jan Dhan bank accounts stood at more than Rs. 1.30 lakh crore (US\$ 18.44 billion).



OPPORTUNITY

- Significant growth possible in private sector lending as credit disbursement by private sector banks are expected to increase.
- The market share of private banks in advances is expected to increase from 27.7% in 2017-18 to nearly 35% in 2019-20.
- Asset's base continues to expand, in FY20, total assets in the public and private banking sectors were US\$ 1,529.72 billion and US\$ 814.42 billion, respectively.
- Interest income has seen robust growth, Public sector banks accounted for over 58% of interest income in FY20. In FY20, interest income in the private banking sector reached US\$ 63.64 billion, whereas those of foreign banks stood at US\$ 9.45 billion.



NOTABLE TRENDS IN THE BANKING INDUSTRY SECTOR

- 1.Improved risk management practices
- 2.Technological Innovations
- 3.Diversification of revenue stream
- 4.Demonetization
- 5.Focus on financial inclusion
- 6.Derivatives and risk management products
- 7.Consolidation
- 8.Focus on Jan Dhan Yojana
- 9.Wide usability of RTGS, NEFT and IMPS
- 10.Know Your Client (KYC)

INCREASING MERGERS & ACQUISITIONS AND INVESTMENT ACTIVITIES

- 1.The consolidated M&A activities are driven by NBFC and the banking sector
- 2.In 2019, banking and financial services witnessed 32 M&A activities worth US\$ 1.72 billion.
- 3.Under Budget 2019-20, the government proposed Rs. 70,000 crores (US\$ 10.2 billion) to public sector banks.
- 4.The Government approved the amalgamation scheme for Bank of Baroda, Vijaya Bank, and Dena Bank, the commencement of which started on April 01, 2019.
- 5.The total equity funding of the microfinance sector grew at a rate of 42 y-o-y to Rs. 14,206 crore (US\$ 2.03 billion) in 18-19.
- 6.The total equity funding of the microfinance sector grew at the rate of 42 y-o-y to Rs. 14,206 crore (US\$ 2.03 billion) in 2018-19.
- 7.In August 2019, the Government announced major mergers of public sector banks. United Bank of India and Oriental Bank of Commerce merged with Punjab National Bank; Allahabad Bank merged with Indian Bank, and Andhra Bank and Corporation Bank merged with Union Bank of India.
- 8.In March 2020, State Bank of India (SBI), India's largest lender, raised US\$ 100 million in green bonds through private placement
- 9.In April 2020, Axis Bank acquired an additional 29% stake in Max Life Insurance.
- 10.In August 2020, the Chinese Central Bank People's Bank of China acquired a 0.0065% stake in ICICI Bank for Rs. 15,000 crores (US\$ 2,127.9 million)
- 11.In October 2020, HDFC Bank and Apollo Hospitals partnered to launch the 'HealthyLife Programme', a holistic healthcare solution that makes healthy living accessible and affordable on Apollo's digital platform.

Source: <https://www.ibef.org/industry/banking-presentation>

INVEST IN IPO'S

BARBEQUE- NATION HOSPITALITY LIMITED | MARCH 24-26, 2021

PRICE RANGE: Rs 498-500

Minimum Quantity: 30

Minimum Investment: RS 14,940.00

V-MARC INDIA LIMITED | MARCH 25-31, 2021

PRICE RANGE: Rs 37- 39

Minimum Quantity: 3000

Minimum Investment: RS 1,11,000

SIDHIKA COATINGS LIMITED | MARCH 24-26, 2021

PRICE RANGE: Rs 57

Minimum Quantity: 2000

Minimum Investment: RS 1,14,000

Investor's Corner

TOP GAINERS / LOSERS AS ON MARCH 31, 2021

TOP GAINERS AS ON MARCH 31, 2021 AS PER SENSEX

| Company Name | Last Price | % Gain |
|---------------|------------|--------|
| ITC | 218.50 | 1.82 |
| BAJAJ FINSERV | 96676.80 | 1.80 |
| HUL | 2430.80 | 1.36 |
| SBI | 364.35 | 0.90 |
| TCS | 3117.60 | 0.56 |
| AXIS BANK | 697.50 | 0.35 |
| TITAN COMPANY | 1557.40 | 0.30 |
| BAJAJ AUTO | 3671.70 | 0.11 |
| MARUTI SUZUKI | 6859.75 | 0.10 |
| M&M | 795.00 | 0.01 |

TOP LOSERS AS ON MARCH 31, 2021 AS PER SENSEX

| Company Name | Last Price | % Lose |
|-----------------|------------|--------|
| HDFC | 2498.95 | -4.06 |
| HDFC BANK | 1493.55 | -3.86 |
| POWER GRID CORP | 215.65 | -2.71 |
| TECH MAHINDRA | 991.25 | -2.50 |
| ICICI BANK | 581.25 | -1.71 |
| ASIAN PAINTS | 2536.75 | -1.59 |
| ONGC | 102.15 | -1.59 |

Investor News

DATE: MARCH 25, 2021

U.S. STOCKS CLIMB WHILE OIL FALLS AMID SUEZ BLOCK

U.S equities gained amid progress in distributing vaccines and as investors weighed the outlook for economic growth and inflation. Oil tumbled after a rally soured by the blockage of the Suez Canal.

An index of small-cap shares gained more than 2% as President Joe Biden announced a new goal of administering 200 million Covid-19 vaccine doses in his first 100 days in office. Nike Inc. fell on concern it risked a boycott in China.

STOCKS

The S&P 500 Index rose 0.5% as of 4 p.m. New York time.

The Stoxx Europe 600 Index fell 0.1%.

The MSCI Asia Pacific Index fell 0.1%.

The MSCI Emerging Market Index declined 0.8%.

CURRENCIES

The Bloomberg Dollar Spot Index rose 0.1%.

The euro slipped 0.3% to \$1.1774.

The British pound gained 0.4% to \$1.374.

The Japanese yen weakened 0.4% to 109.12 per dollar.

BONDS

The yield on 10-year Treasuries rose one basis point to 1.62%.
Germany's 10-year yield fell three basis points to -0.39%.
Britain's 10-year yield sank three basis points to 0.73%.

COMMODITIES

West Texas Intermediate crude fell 4.5% to \$58.44 a barrel.
Gold fell 0.5% to \$1,726.76 an ounce.

Source: <https://cutt.ly/PcQ5uju>

NOVAVAX STOCKS PLUNGES ON REPORT THAT COVID VACCINE IS FACING DELAYS IN EUROPE

Supply talks in Europe have stalled, according to Reuters. Earlier this year, the European Union signed a deal for at least 100 million doses of the Novavax vaccine, with an option to buy another 100 million. On the stock market today, NVAX stock toppled 11% to 178.23.

Source: <https://cutt.ly/4cQ5gwZ>

ALPHABET STOCK FINDS SUPPORT AS SHARES TRADE NEAR A BREAKOUT POINT AND BUY RANGE

Alphabet (GOOGL) has had a bullish past few month. The company's internet search advertising and YouTube advertising revenue topped analyst estimates in the December quarter, sparking the recent rally. Shares are now up 16% year to date.

Both Alphabet's year-over-year earnings growth and sales growth accelerated in the most recent quarter. The sales growth rate jumped from 14% in the third quarter to 23% in the recent December-ended fourth quarter, according to IBD data. Alphabet's bottom line had fallen for a few quarters in 2019, then lifted 24% and 29% in the recent two quarters of 2020.

Source: <https://cutt.ly/mcQ5xpv>

About Prometheus Finance Club

Prometheus - Finance Club of Alliance University is a student-driven initiative collaborating both academia and inputs from experts from various corporate sectors to impart financial knowledge, enable students to improve their analytical skills, and engage in activities that add value. Students are encouraged to plan and organize events on various topics like wealth creation through investments, virtual trading, financial modeling, career opportunities in finance sectors, current economic scenarios, etc. The club organizes workshops, guest lectures, quizzes, training programs for students to understand the nuances of finance. To add more value, few initiatives are proposed like publishing newsletters, a glossary of financial jargons to equip the student community to the finance world.

About Prometheus Finsights Newsletter

Prometheus Finsights is a fortnightly Newsletter issued by the Prometheus Finance Club during the first and third week of every month. The Newsletter will cover the current issues and news in Finance which includes RBI insights, SEBI notifications, Stock market movements, Bank rates & exchange rates, Industry analysis, and a lot more. Do read our Newsletter for all finance updates.

Disclaimer: This Newsletter is for internal circulation among Alliance University Community ONLY.

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