

MARKET WATCH		
	26-08-2019	% CHANGE
Sensex	37,494	2.16
US Dollar	72.02	-0.50
Gold	39,670	1.73
Brent oil	59.10	0.77

NIFTY 50		
	PRICE	CHANGE
Adani Ports	368.20	18.85
Asian Paints	1597.55	17.15
Axis Bank	683.70	19.80
Bajaj Auto	2736.80	-12.35
Bajaj Finserv	7190.80	306.20
Bajaj Finance	3324.25	149.90
Bharti Airtel	360.65	4.25
BPCL	335.40	6.05
Britannia Ind	2533.85	67.20
Cipla	466.55	6.65
Coal India	188.75	0.75
Dr. Reddys Lab	2567.20	25.95
Eicher Motors	15548.20	164.75
GAIL (India)	126.40	2.00
Grasim Ind	737.30	17.85
HCL Tech	1092.85	5.85
HDFC	2148.35	104.60
HDFC Bank	256.15	93.45
Hero MotoCorp	2590.95	-49.25
Hindalco	178.75	-1.50
Hind Unilever	1876.55	16.55
Indiabulls HFL	487.75	19.90
ICICI Bank	411.65	16.25
IndusInd Bank	1348.50	38.00
Bharti Infratel	245.45	-1.50
Infosys	802.55	0.35
Indian OilCorp	125.50	2.70
ITC	242.50	6.40
JSW Steel	214.10	-6.55
Kotak Bank	1512.80	-42.60
L&T	1333.65	47.15
M&M	544.30	11.05
Maruti Suzuki	6255.55	1.20
NTPC	120.05	1.55
ONGC	123.75	1.50
PowerGrid Corp	202.90	1.40
Reliance Ind	1266.80	-9.05
State Bank	280.20	9.10
Sun Pharma	419.35	-8.45
Tata Motors	110.55	-0.50
Tata Steel	338.05	-7.20
TCS	2276.30	28.60
Tech Mahindra	691.15	7.30
Titan	1102.45	28.95
UltraTech Cement	4038.40	176.60
UPL	549.80	2.55
Vedanta	135.05	-2.35
Wipro	249.10	-2.30
YES Bank	62.90	3.65
Zee Entertainment	364.90	13.75

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on August 26		
CURRENCY	TT BUY	TT SELL
US Dollar	71.82	72.14
Euro	79.84	80.20
British Pound	87.91	88.31
Japanese Yen (100)	67.83	68.13
Chinese Yuan	10.05	10.10
Swiss Franc	73.29	73.62
Singapore Dollar	51.74	51.97
Canadian Dollar	54.00	54.24
Malaysian Ringgit	17.08	17.17
Source:Indian Bank		

BULLION RATES CHENNAI		
August 26 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	49.8	(48.2)
22 ct gold (1 g)	3685	(3600)



Indian Bank, Tata AIG General Insurance tie up

CHENNAI Indian Bank has joined hands with Tata AIG General Insurance to offer the latter's diverse range of general insurance policies benefiting the bank's customers by way of protection, wealth creation and savings. Tata AIG General Insurance will work with the bank for sales training, product support and ensuring smooth operational processes.

Infosys's board mulls closure of buyback offer

NEW DELHI Infosys said a board committee is considering closure of the ₹8,260-crore buyback offer with the firm utilising almost full size of the issue approved. "...the buyback committee of the company will, on August 26, 2019, consider the closure of the buyback, pursuant to the terms of the public announcement, in view of the fact that the company has utilised 99.9999999% of the maximum buyback size," Infosys said in a filing. PTI

Amazon job programme for Army veterans

BENGALURU Amazon India has announced a 'military veterans employment programme' for military veterans and their spouses across Amazon India's fulfilment centres, sort centres and delivery centres in India. Amazon India is partnering with the Office of the Director General of Resettlement and Army Welfare Placement Organisation to create continued work opportunities for military families. Amazon respects the principles and work ethics of those who served the country, the firm said.

Indices see biggest gain since May

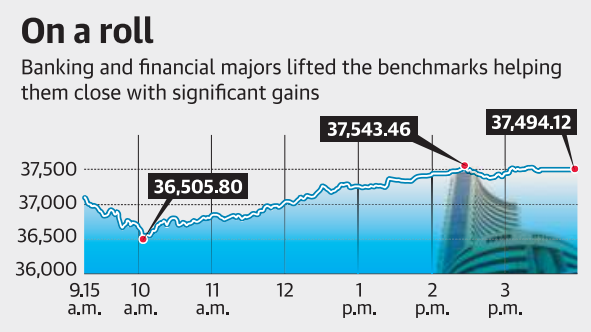
FPIs continue to remain net sellers; 'gains not reversal of weak sentiment'

SPECIAL CORRESPONDENT MUMBAI

Even as global markets remained in the doldrums on Monday, the Indian benchmark equity indices registered their biggest single-day gain in over three months on the back of the government's corrective measures announced last week to boost economic growth.

After an initial volatile hour of trading that saw the Sensex shed all its gains – as much as 700 points – as traders quickly squared off positions to book profit, banking and financial majors lifted the benchmarks helping them close with significant gains.

The 30-share Sensex closed at 37,494.12, up 792.96 points or 2.16%. It was the biggest single-day gain since May 20, when the index surged 1,422 points after exit polls showed that the incumbent BJP Government



would get a second term with a clear majority.

The broader Nifty reclaimed the psychological 11,000-mark to close at 11,057.85, up 228.50 points, or 2.11%.

Gain ground

The renewed buying interest was further corroborated by the strong market breadth with over 1,700 stocks gaining ground on BSE as against 811 declines.

Market participants, however, believe that Monday's

gains should not be looked upon as a reversal of weak investor sentiment as domestic economic indicators along with global concerns are showing no signs of abating.

"We see the announcements, and especially the government's flexibility and focus on ensuring such confidence-boosting measures continue, as a short-term positive for the market," said global financial major BNP Paribas in its latest India Strategy report, ad-

Retail investors lap up NCDs as deposits, markets lose sheen

Some issues saw oversubscription of about 400%

PRESS TRUST OF INDIA MUMBAI

The mayhem in equity markets and falling deposit rates are pushing retail investors to lap up corporate debt like never before, if the overwhelming response to the recent/ongoing NCD issues from NBFCs, which are facing one of the worst liquidity crises ever, is any indication.

This shows that retail investors' confidence in NBFCs have not been deterred by the risks facing the sector following defaults by IL&FS, DHFL and Reliance Home Finance, according to the subscription data.

For instance, the just con-

cluded ₹500-crore NCD issue from Tata Capital had ₹175 crore reserved for retail investors but got 450% over-subscription at ₹787 crore, while IIFL's ₹100-crore issue, with ₹40 crore for retail, got an oversubscription worth ₹163 crore, or 408%, as per BSE data.

Similarly, JM Financial's ongoing ₹100 crore issue has ₹40 crore reserved for retail but has seen a full 185% or ₹78 crore oversubscription, while Shriram Transport got 278% and Indiabulls, ₹333 crore for the ₹133-crore reserved for retail.

More significantly, Muthoot Finance's recent ₹100-

crore issue, of which 50% was reserved for retail, had got a whopping 1,077% demand or ₹538 crore.

In some other instances between April and July, issues by Srei Infra, ECL Finance, Muthoot Homefin, Magma Fincorp, received oversubscriptions that ranged from 160% to 322%, according to the BSE data.

According to B.K.R. Sriram, the distribution head at Geojit Financial Services, the falling equity markets are taking conservative investors to the fixed income space, hence the higher demand for these offerings from retail investors.

Jet lenders again extend EoI deadline

PRESS TRUST OF INDIA MUMBAI

The lenders to the defunct Jet Airways, on Monday, for the third time extended the deadline for submission of expressions of interest (EoI) for stake sale in the bankrupt airline to August 31 after a new bidder showed interest post-August 10 deadline.

After the second deadline on August 10, there were three bids, but one opted out while the another one did not qualify, leaving just one in the race.

The decision to extend the deadline for EoIs was taken by the lenders at a meeting of the committee of creditors held in the financial capital.

"The lenders have decided to extend deadline to submit EoIs till August 31," a banker told PTI.

Jet Airways has liabilities of over ₹26,000 crore.

Cyclical, structural issues will take time to fade away: analysts

'More job losses may be curbed'

LALATENDU MISHRA MUMBAI

Finance Minister Nirmala Sitharaman's announcements pertaining to revival of the economy Friday last may have improved sentiments and might augment liquidity in the system, but it will take time for the current slowdown to fade away.

Any further job loss is expected be curbed and consumer spend in the upcoming festive season will decide the quantum of bounce-back in the economy and the fortunes of companies affected by the slowdown.

While analysts are unanimous about the positive impact of the announcements on the economy, they feel that revival would be a gradual process.

"We believe that the current slowdown is a combination of cyclical and structural issues and will take time to fade away. The latest announcements [by FM] show the intent of the government to remove some of these irritants and structural issues, which will go a long way in preventing incremental damage," said Amnish Aggarwal and Amulya Channa, analysts at Prabhudas Lilladhar.

Raises hopes

"Although we don't expect these measures to boost sagging rural demand and offset the impact of widespread floods, it raises hopes of recovery from the third quarter of Y20," they said in a report.

Analysts expect markets to react positively to these moves and recommend investors to use these 'turbulent times' to build the portfolio of companies with 'moats in their business and



• GETTY IMAGES/ISTOCK

ability to withstand technology disruptions'.

The government's intention and willingness to take feedback and act promptly may offset the pessimistic market narrative, felt analysts at Mototal Oswal Financial Services Ltd (MOFSL).

"Timing-wise, it has come just ahead of the beginning of a long festival season and may boost consumer sentiment. Expectations of more measures over the next two weeks will likely drive a short-term bounce after the sharp correction post budget," Gautam Duggad, head of Research, and Siddharth Khemka, head-Retail Research, MOFSL, said in a report. "That said, we believe that a durable pick-up may have to wait until earnings recover," they added.

Though the measures announced by the FM will result in more sales of all class of vehicles, the auto sector will take time to come out of the woods.

According to a report by Fitch Ratings, fiscal FY20 will see a decline in auto sales volume, "... although volumes may stabilise in the coming quarters due to government's focus on improving liquidity at lenders and recent measures to revive auto demand."

Exchange rate driven by capital flows, says RBI

India's forex reserves are borrowed and not built out of export surplus: Deputy Governor Kanungo

SPECIAL CORRESPONDENT MUMBAI

The exchange rate dynamics in India is driven by capital flows rather than current account balances, Reserve Bank of India Deputy Governor B.P. Kanungo said, adding that the central bank's intervention in the foreign exchange market was aimed at curbing sudden turbulences not backed by economic fundamentals.

Speaking at the Forex Association of India Conference in Singapore on August 10, Mr. Kanungo said the Indian forex markets had been fairly stable in recent months. RBI uploaded his speech on its website on Monday.

"The Reserve Bank is mandated to maintain orderly conditions in the foreign

exchange market. Its intervention in the forex market is solely directed at curbing sudden turbulences not backed by economic fundamentals," he said.

The Indian currency has come under pressure in recent times due to a host of factors including trade tensions between the U.S. and China, and the central bank had intervened to curb volatility. "As has been said repeatedly, market operations are not intended to achieve any target exchange rate or band of rates. It must be pointed out that the exchange rate dynamics in India for more than a decade has been driven by capital flows rather than current account balances," he said, adding that India had mostly run a current account defi-



B.P. Kanungo

cit, notwithstanding a bilateral trade surplus with the U.S., marginally more than \$20 billion during 2018.

The deputy governor said though long-term flows related to FDI and long-term debt had been fairly stable keeping in tandem with the economic fundamentals, the portfolio flows had their own dynamics depending as

much on attractiveness of returns of Indian assets as the global factors determining their risk appetite.

"Gyrations in the forex market in these circumstances leave no option other than market intervention to restore orderliness in the market. One also needs to bear in mind that India's forex reserves are borrowed reserves and not built out of export surplus," he said.

"Inasmuch as it provides a bulwark against sudden flow reversals, it enhances the country's ability to cope with the fall out and indeed, contributes to global stability as well," Mr. Kanungo said.

On trade wars between the U.S. and China, he said there was no quick solution possible and such a situation had contributed to the global

economic slowdown.

"As of now, there does not appear to be any possibility of quick resolution of the tension, nor does it seem to escalate and get out of hand rapidly in near future. Whatever may be the rational and economic logic behind the competitive protectionism through tariff barriers, it is certainly contributing to the global economic slowdown," he said.

He further said the exit of Britain from the European Union was shrouded in uncertainty and it was recognised that a no-deal Brexit would surely be a disruptive factor.

"There are also risks emanating from geopolitical tensions in the Gulf and elsewhere that can adversely affect the sentiments," he added.

Bids invited for spectrum auction body

SPECIAL CORRESPONDENT NEW DELHI

The Department of Telecommunications on Monday invited bids for selection of an agency to conduct the upcoming spectrum auction across various bands.

This will be the biggest-ever auction with a total of over 8,000 MHz of spectrum for sale, including airwaves used for 5G services.

"[DoT] invites... applications for selection of agency to conduct the e-auction of spectrum..." the government said in the 'Request for Proposal'. The deadline for submission of bids is September 25.

The guidelines for auction of spectrum in 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz and 3300-3600 MHz bands will be announced separately.

'Microland repositioning itself for digital business'

Completes 3 decades of operation

SPECIAL CORRESPONDENT BENGALURU

Bengaluru-based Microland has announced a market repositioning to bring its digital services to the forefront.

The tech firm, which marked the completion of three decades of operations here on Monday, said its investments, business alliances and expansion in recent years had given itself a unique positioning in the industrial IoT service provider market. Microland, led by Pradeep Kar, currently offers remote infrastructure management technologies and solutions to global clients. The company has been investing steadily over the last half-decade to secure talent, skills, tools, and frameworks necessary to reinvent itself, to stay ahead of the curve even as the rate of technological change in-

creases exponentially, it said.

Speaking to the media, Mr. Kar, Microland's founder and chairman, said his company had done the groundwork for the next stage of growth. "Over the last few years we have evolved, we have made significant investments in leadership talent, IPs and platforms, created centres of excellence, expanded our facilities and geographical footprint. We are now set to serve our global clients in their digital journeys."

The company currently has 4,500 digital specialists positioned across Asia, Australia, North America, Europe and west Asia.

"We had a 22% growth in revenue last year and going forward, we expect to grow in the 20% range," he added.

'Upfront capital will improve loan growth'

SPECIAL CORRESPONDENT MUMBAI

The government's recent announcement to infuse ₹70,000 crore capital upfront in public sector banks in the current fiscal is expected to improve loan growth to 13-15%, Moody's Investor Service said.

"We estimate that the fresh capital will enable public sector banks to grow loans by around 13%-15% in the fiscal year ending March 2020 (fiscal 2020), compared with about 10% in fiscal 2019, while also allowing them to meet the final Basel III capital requirements," Alka Anbarasu, V-P, Financial Institutions Group, Moody's Investors Service.

The front loading of capital support would improve banks' capitalisation and help them calibrate balance sheet growth.