

MARKET WATCH

	12-09-2019	% CHANGE
Sensex	37,104	-0.45
US Dollar	71.14	0.72
Gold	38,775	-0.19
Brent oil	60.02	-1.68

NIFTY 50

	PRICE	CHANGE
Adani Ports	372.45	-0.90
Asian Paints	1540.30	-21.15
Axis Bank	662.90	-18.80
Bajaj Auto	2852.20	-56.20
Bajaj Finserv	7291.95	-62.25
Bajaj Finance	3382.35	-34.05
Bharti Airtel	347.55	-7.55
BPCL	384.20	-1.90
Britannia Ind	2677.00	10.60
Cipla	467.80	-4.00
Coal India	197.70	1.00
Dr Reddys Lab	2767.05	6.05
Eicher Motors	16680.55	-333.10
GAIL (India)	125.75	-2.70
Grasim Ind	717.55	6.05
HCL Tech	1054.90	-2.80
HDFC	2082.75	10.90
HDFC Bank	2270.85	19.55
Hero MotoCorp	2740.75	-19.40
Hindalco	197.10	3.65
Hind Unilever	1805.40	-18.90
Indiabulls HFL	449.40	17.95
ICICI Bank	402.70	8.10
IndusInd Bank	1390.25	18.10
Bharti Infratel	250.75	-2.45
Infosys	816.40	-3.70
Indian OilCorp	124.40	-1.65
ITC	240.75	-3.00
JSW Steel	222.05	-5.65
Kotak Bank	1457.55	-17.65
L&T	1362.40	-1.25
M&M	543.60	-2.15
Maruti Suzuki	6392.05	-205.25
NTPC	122.25	-2.25
ONGC	125.90	0.15
PowerGrid Corp	199.65	-1.75
Reliance Ind	1210.35	-24.05
State Bank	287.05	1.80
Sun Pharma	427.80	5.60
Tata Motors	127.95	-6.40
Tata Steel	365.05	-2.00
TCS	2133.60	-20.40
Tech Mahindra	705.55	1.85
Titan	1086.10	-14.95
UltraTech Cement	4002.05	98.65
UPL	567.30	-10.40
Vedanta	145.45	-0.85
Wipro	244.55	-3.60
YES Bank	67.95	-3.65
Zee Entertainment	346.40	-8.05

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 12

CURRENCY	TT BUY	TT SELL
US Dollar	70.93	71.25
Euro	77.75	78.11
British Pound	87.44	87.84
Japanese Yen (100)	65.82	66.12
Chinese Yuan	10.01	10.05
Swiss Franc	71.38	71.71
Singapore Dollar	51.54	51.78
Canadian Dollar	53.75	54.00
Malaysian Ringgit	17.03	17.11

Source: Indian Bank

IIP growth rebounds, retail inflation surges

Electricity sector growth, however, slows to 4.75% in July from 8.19% in June; food inflation at a 14-month high

SPECIAL CORRESPONDENT
NEW DELHI

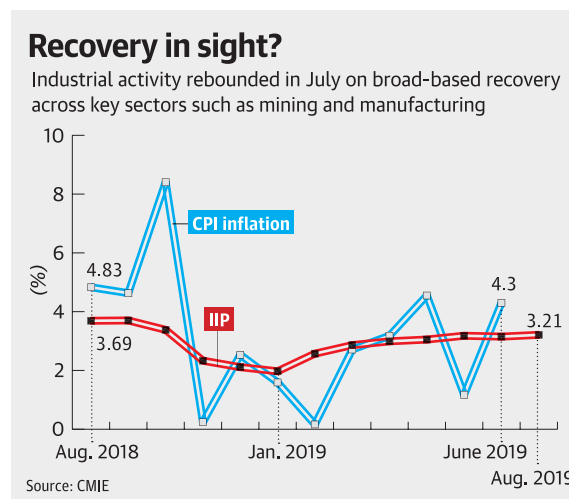
Industrial activity rebounded in July to 4.3% on a broad-based recovery across key sectors such as mining, manufacturing and construction, official data released on Thursday showed.

In a separate release, data showed retail inflation rose in August to hit a 10-month high of 3.21% on quickening food price rises.

Growth in the Index of Industrial Production (IIP) accelerated in July after a slump in June when it touched 1.17%. Within the index, the mining sector accelerated to 4.92% in July compared with 1.53% in June. The manufacturing sector, similarly, saw growth quicken to 4.15% from 0.23% over the same period.

"The numbers provide some positive news for the output scenario because most of the IIP indicators show an uplift," said D.K. Srivastava, chief policy adviser, EY India. "The only issue is to see if this will be sustained. This has come as a positive surprise because the general trend indicates a slowdown momentum."

Construction and infrastructure sector saw a turnaround in July, growing 2.13% after contracting 1.9% in the previous month. On the consumer side, the consumer durables sector reined in its contraction, contracting 2.7% in July compared with a steep contraction of 10.2% in the previous month. Consumer non-durables saw growth accelerating to 8.29% from 7.08%. The electricity



sector, however, saw growth slowing in July to 4.75% from 8.19% in June.

"Industrial output is likely to improve further in the coming month supported by higher festive and rural de-

mand (with improvements in the monsoons)," Care Ratings said in a report.

Rising inflation
Growth in the Consumer Price Index (CPI) touched

3.21% in August, compared with 3.15% in July. Within the index, inflation in the food category touched a 14-month high of 2.96% in August, up from 2.33% in the previous month.

"Inflation overall is only marginally higher over last month," Mr. Srivastava said. "Only vegetable and food price inflation have gone up and that is due to the seasonal effect. This usually happens in monsoon months."

Inflation in the pan, tobacco and other intoxicants category quickened marginally to 5% in July from 4.89% in the previous month. Clothing and footwear category, however, saw inflation easing somewhat to 1.23% from 1.37% over the same period.

The housing sector saw the rate of inflation remain

flat at 4.84% in July, compared with 4.87% in June. The fuel and light sector saw a contraction in prices by 1.7% compared with a contraction of 0.29%.

"Consumer price inflation is likely to inch up further in the coming months with the waning of the base effect and seasonal factors," Care Ratings added. "Although the RBI is likely to continue with its monetary easing, we do not expect a rate cut at the next monetary policy."

"The RBI is likely to look for the transmission of the previous rate cuts with the introduction of the new external benchmark before cutting rates further," the ratings agency added. "For the remainder of the financial year, we expect policy rates to be cut by another 40 bps."

RBI was net seller of dollars in July

PRESS TRUST OF INDIA
MUMBAI

The Reserve Bank of India has turned a net seller of dollars for the first time this fiscal in July, having sold \$93 million in the month on a net basis in the spot market, show the latest data from the central bank.

During the reporting month, the RBI had purchased \$1.592 billion but sold \$1.685 billion in the spot market.

In June, the RBI had net purchased \$2.463 billion, as it bought \$4.434 billion and sold \$1.971 billion.

In May and April, the central bank had net purchased \$2.538 billion and \$4.901 billion, respectively. In July 2018, the RBI had net sold \$1.874 billion.

'Demand to spur cement prices next fiscal'

India Cements now focussed on cost-cutting, raising plant utilisation level: MD

N. ANAND
CHENNAI

The Indian cement industry, which is facing a huge supply overhang in the south, would see a uptick in prices from the next fiscal due to brisk demand, said N. Srinivasan, vice chairman and managing director, The India Cements Ltd. (ICL).

"Since February, cement prices had started improving. They stabilised at reasonable levels from March to May. However, in July and August, due to heavy monsoon, particularly in the south, there was pressure on prices," Mr. Srinivasan said while addressing the 73rd annual general meeting of the company.

"Now that monsoon is getting over, there is every expectation of brisk demand



N. Srinivasan

leading to better prices. Going forward, we look forward to better prices and good results," he added.

Right now, ICL was focussed on cost-cutting measures, multi-skilling the workforce, increasing plant utilisation level from above 75% to 80% and improving output at no extra cost, he

said. Pointing out that the cement industry in the south was suffering due to huge supply overhang, he said capacity addition had slowed and the demand-supply match had improved. However, the current situation on prices would continue during this fiscal also.

Infra spending to help

Next year, the situation will be better due to the implementation of infrastructure projects and development schemes by the Andhra Pradesh Government and the Centre, he added.

Regarding ICL, he said the second quarter performance for the current fiscal would not be 'as good as' that of the first quarter. The second quarter, in fact, would be sluggish. Post monsoon, he

said he expected a good pick up in sales. In the first five months of the current fiscal, cement sales fell short of expectations. However, ICL would make up for the shortfall in the remaining part of the year, he added.

"But for the slight slippage in prices due to the monsoon in the second quarter, ICL's performance in this fiscal would reflect improvement in demand, largely coming from housing and infrastructure sectors, and greater cost control measures," he said.

On the economic slowdown, he said it was sector specific and that he was 'cautiously optimistic' about the cement industry. As to a cut in GST rates sought by industry bodies, he said such a move would not boost sales.

ECB cuts rates to record low of -0.5%, to resume bond purchases

Market expects buying of assets to go on for years

REUTERS
FRANKFURT

The European Central Bank promised an indefinite supply of fresh asset purchases and cut interest rates deeper into negative territory on Thursday, an effort to prop up the ailing euro zone economy that was cheered by financial markets.

Coming in the final weeks of ECB President Mario Draghi's mandate, the moves will increase pressure on the U.S. Federal Reserve and Bank of Japan to ease next week to support a world economy increasingly characterised by low growth and protectionist threats to free trade.

Yet there were immediate



Mario Draghi

doubts as to whether the ECB measures – the few remaining in its monetary policy arsenal – would be enough to boost a euro zone recovery in the face of a U.S.-China trade war and possible disruption from Brexit.

The ECB cut its deposit rate by 10 basis points to a record low of -0.5%, promised that rates would stay low for longer and said it would restart bond purchases at a rate of €20 billion a month from November 1.

"The Governing Council expects [bond purchases] to run for as long as necessary to reinforce the accommodative impact of its policy rates, and to end shortly before it starts raising the key ECB interest rates," it said.

Given that markets do not expect rates to rise for nearly a decade, such a formulation suggests that purchases could go on for years – an eventuality Mr. Draghi did not challenge.

Retail chain Lifestyle may clock single-digit growth

Same-store growth flat as alternative malls come up

YUTHIKA BHARGAVA
NEW DELHI

Retail chain Lifestyle expects to garner single-digit growth during the current financial year as the same store growth remains flat, according to a top company official.

"This year, we are expecting single-digit growth as like-to-like [ie same store to same store] growth did not happen. It was flat because of alternative malls coming up. In the last four years, mall space has doubled," said Vasanth Kumar, MD, Lifestyle International. "There are more options available to consumers," he said.

Lifestyle has registered a revenue of ₹4,000 crore during the last financial year.

Asked if the slowdown in the economy was one of the reasons for the tepid growth, Mr Kumar said, "Apparel is a little different. One thing is that the growth has been flat. Even at the end of



Vasanth Kumar

the season, growth has been flat. But it is more to do with the number of options customers have. The number of malls have gone up, online has gone up. So, it has got divided."

Mr. Kumar said considering the trends at the start of the festive season, they expect the growth during these two months to double.

Positive trends

"... if you see festival trends, Onam went well and [Durga] Puja has started on a good

note. We are bullish on Diwali as well. Overall, the growth this festive season will be in double digits."

On expansion, he said, "Ours, as a format, is malleable. In Delhi NCR, there are four malls coming up. We have tied up with all four. In terms of products, we are also improving. For example, our in-house brand Melange initially offered only women's wear. We then added men's [wear]. Now, we are adding kids [wear] too."

Setting up one store involves an investment of about ₹15-18 crore.

On online sales, he said that while online was now becoming huge with people consuming out of their homes, apparel segment would predominantly be led by offline.

"Even internationally, that is the trend. Currently, 90% of sales are from offline. I see online rising to 15-20% in the future."

Railways waives 15% peak season surcharge

Move aimed at giving a boost to freight and industry in the wake of slowdown

YUTHIKA BHARGAVA
NEW DELHI

Feeling the pinch of slowdown in economic activity in the country, Indian Railways on Thursday announced a slew of incentives, including waiver of the 15% peak season surcharge on freight transport, to give the industry a boost.

"Considering the current economic scenario, to give a boost to the industry and freight, railways has taken measures to facilitate the industry, especially in reducing rail transport cost," Member - Traffic Railway Board P.S. Mishra said.

The national transporter will be deferring its 'busy season charge' of 15% levied between October 1 and June 30. Additionally, further waiver of the 5% supplementary charge on use of mini rakes will be made to help boost loading of smaller size cargo. "This will help cement, steel, food grains and fertilizer loading," he said.

Asked about the impact seen on 2018-19 freight targets, Mr. Mishra said, "We



The 5% supplementary charge for use of mini rakes will also be waived to boost loading of smaller cargo. *V.V. KRISHNAN

have not seen any negative impact till now. In the first five months of the current fiscal, we have loaded more freight than last year, but the growth has not been of the level we had expected. We expect that with these measures we will get more traffic, so the notional loss due to waiver of charges may not happen."

For example, in coal, which accounts for about 49% of freight revenues for railways, the demand was 15% lower than expected, Mr. Mishra noted.

In the five months from

April till August 2019, Indian Railways hauled about 500 million tonnes of freight. In 2018-19, it loaded 1,223 million tonnes of freight, earning revenue of about 1.25 lakh crore.

Mr. Mishra said he expected to surpass both volume and revenue numbers this year. The growth in revenue is expected to be in single digits, he added.

Stating that more schemes were under consideration, he said, "Earlier we used to decide what is to be given to the trade. This time we have tried to take feedback from

the industry and the trade. We have had a series of meeting with stakeholders from industries such as steel, cement and automobile. The schemes announced are tailor-made as per there request."

Auto sector's demand

Mr. Mishra added that the Railways would be increasing the number of rakes for transportation of automobiles from eight to 26, and gradually to 50 rakes by the end of this financial year. "This is being done on the request of the auto sector. We have very limited presence in auto which we are trying to increase," he said.

He added that at the industry's request, Indian Railways was also working on a special wagon design for transportation of four wheelers as well as two wheelers as more traffic was expected from the sector despite the slump there. Mr. Mishra expects to increase the present share of 2% in loading auto freight, to around 8-10% by the end of this fiscal.

Google to pay €945 mn in tax settlement

PRESS TRUST OF INDIA
PARIS

U.S. Internet giant Google has agreed a settlement totalling €945 million (\$1 billion) to settle a tax dispute in France under an agreement announced in court on Thursday.

The company will pay a €500-million fine for tax evasion, as well as a further €465 million to settle claims with French tax authorities. In a statement, Google confirmed the settlement and hailed the fact it had put an end to fiscal differences that it had had with France for numerous years. The settlement comes as France, as well as European allies, seek to find common ground with the U.S. in a long-running dispute over the taxation of digital giants.

French President Emmanuel Macron said alongside U.S. President Donald Trump at the G7 summit in August that leaders had reached an agreement on the taxation of tech giants.

Renewable energy expo put off to October 2020

Slowdown, subdued sentiment cited as reasons; event was slated to be held from Oct. 31 to Nov. 2 this year

TCA SHARAD RAGHAVAN
NEW DELHI

The ongoing slowdown in the economy, coupled with subdued activity in the renewable energy sector, has led to the Ministry of New and Renewable Energy (MNRE) postponing its flagship expo RE-INVEST by a year to October 2020, according to people aware of the developments.

The third RE-INVEST expo was originally slated to take place between October 31 and November 2, 2019. The government has not provided any reason for the postponement other than that it was due to "unavoidable circumstances".

"The 3rd Global RE-INVEST Renewable Energy Investors



The second edition of RE-INVEST, originally slated for February 2016, was also postponed to October 2018. *R.V.S. PRASAD

Meet & Expo, organised by MNRE has been postponed due to certain unavoidable circumstances, and is now being scheduled for October 2020," the

event's website said. "The real reason behind the postponement is that the government does not want to host an event on renewable energy

at a time when the industry is doing so badly and when there is an economic slowdown," an invitee to the event, aware of the decision process in the government, said on the condition of anonymity. "There is a lot of discontent in the industry and they decided that it would be better to hold the event later." The Ministry of New and Renewable Energy (MNRE) did not comment on the postponement when contacted by *The Hindu*.

This is not the first time the expo has been postponed. The second edition of RE-INVEST, originally slated to take place in February 2016, was postponed five times before it finally took place in October 2018.

"The last RE-INVEST was postponed because the targets set in the first RE-INVEST were not met, and so they kept postponing it until the targets were closer," the CEO of a large solar company, which is a regular attendee of the RE-INVEST events, said. "This time as well, none of the targets has been met." The Centre had in its first term set a target of 175 GW of renewable energy capacity by 2022. With just about three years left, the country has achieved only about 81 GW, or 46% of the target, according to MNRE data as of July 31, 2019. Within this, the solar sector has achieved only 30% of its 100 GW target. The wind sector has achieved 36.8 GW of capacity.

EXPERIENCE IS A KEY DRIVER

BusinessLine MIND YOUR MARKETING
#BLMindYourMarketing

'Customer is king' – is this a cliché or is it still relevant for brands?

Brands have always had to be, and will need to be, 'customer-centric' to stay competitive. Additionally, the speed for change and the agility will also make a difference. Adoption of technology to offer a differentiated customer experience will be critical too. IBM's Global C-suite Study in 2018, with 12,854 respondents across 6 C-suite roles, from 112 countries, indicated that two-thirds of the respondents expect organisations to emphasise customer experience over products. This focus on differentiation through customer experience may lead to change in the business model itself. When that happens, brands will need to go back to the basics and think through their core identity.

Deepali Naair
Director, Marketing, IBM India & South Asia

You can read the full interview in *The Hindu BusinessLine* today or scan the QR Code.

This article is part of a brand initiative by *The Hindu BusinessLine* to profile marketing professionals from across India.