

MARKET WATCH

	23-09-2019	% CHANGE
Sensex	39,090	2.83
US Dollar	70.94	0.00
Gold	38,690	0.33
Brent oil	64.22	-1.15

NIFTY 50

	PRICE	CHANGE
Adani Ports	410.95	30.25
Asian Paints	1802.75	131.75
Axis Bank	725.50	45.15
Bajaj Auto	2995.15	65.90
Bajaj Finserv	8297.75	604.10
Bharti Finance	4023.75	321.55
Bharti Airtel	348.00	-8.40
BPCL	450.85	47.00
Britannia Ind	3053.65	186.65
Cipla	448.90	-14.40
Coal India	202.70	2.65
Dr Reddys Lab	2767.25	-70.55
Eicher Motors	19239.35	1379.15
GAIL (India)	141.30	6.60
Grasim Ind	759.30	-8.35
HCL Tech	1032.90	-16.20
HDFC	2162.00	112.70
HDFC Bank	1257.25	57.65
Hero MotoCorp	2820.35	-42.55
Hindalco	200.00	-2.15
Hind Unilever	2039.75	70.00
Indiabulls FHL	437.70	9.30
ICICI Bank	446.30	28.80
Indusind Bank	1511.55	91.95
Bharti Infratel	263.80	4.65
Infosys	764.35	-40.65
IndianOilCorp	142.65	10.10
ITC	254.85	16.80
JSW Steel	243.70	5.60
Kotak Bank	1640.60	101.75
L&T	1528.50	117.00
M&M	565.00	-3.90
Maruti Suzuki	6897.85	305.90
NTPC	116.05	-3.80
ONGC	136.30	2.70
PowerGrid Corp	188.30	-7.90
Reliance Ind	1239.20	-15.15
State Bank	313.75	12.05
Sun Pharma	409.45	-4.25
Tata Motors	127.90	-5.35
Tata Steel	377.35	8.80
TCS	2015.80	-49.65
Tech Mahindra	682.80	-18.05
Titan	1311.80	48.25
UltraTech Cement	4391.10	121.45
UPL	580.85	18.75
Vedanta	157.90	-1.05
Wipro	239.35	-6.60
YES Bank	55.45	-0.05
Zee Entertainment	271.60	-29.80

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on September 23

CURRENCY	TT BUY	TT SELL
US Dollar	70.73	71.05
Euro	77.70	78.06
British Pound	88.00	88.41
Japanese Yen (100)	65.80	66.11
Chinese Yuan	9.93	9.97
Swiss Franc	71.33	71.66
Singapore Dollar	51.32	51.56
Canadian Dollar	53.25	53.50
Malaysian Ringgit	16.92	17.01

Source: Indian Bank

BULLION RATES CHENNAI

September 23 rates in rupees with previous rates in parentheses

Retail Silver (1g)	51.4	(49.8)
22 ct gold (1g)	3612	(3580)

# Indices clock best-ever 2-day rally

BSE gains 1,075 points on Monday; foreign investors turn significant buyers

SPECIAL CORRESPONDENT MUMBAI

The strong surge in equities, that started on Friday on the back of a cut in corporate tax rates and other incentives for India Inc., continued on Monday with the benchmark indices registering their best-ever two-day rally.

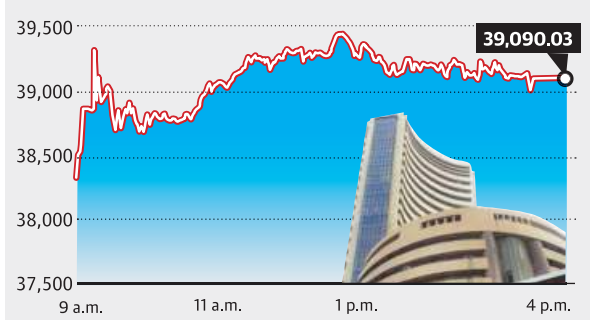
The 30-share Sensex gained 1,075.41 points, or 2.83%, to close above the psychological 39,000-mark at 39,090.03. The index has gained almost 3,000 points — 2,996.56 to be precise — in just two trading sessions.

Index constituents like L&T, ITC, Axis Bank, Kotak Mahindra Bank, ICICI Bank, Asian Paints and Indusind Bank all gained more than 6% each. Index heavyweights like HDFC and HDFC Bank also gained 5.22% and 4.86%, respectively.

Meanwhile, the broader Nifty closed at 11,600.20, up 326 points or 2.89%.

Cracker of a session

Monday saw more than 1,600 stocks gaining ground as against 981 declines on the BSE



Friday's announcements have made market experts turn bullish on the outlook for the equity market on the back of expected improvement in corporate earnings.

"The combination of monetary and fiscal stimulus should help revive India's growth rate... We raise our June 2020 BSE Sensex target from 40,000 to 45,000... re-

flecting higher earnings prospects rather than higher multiples," stated the latest India strategy report by Morgan Stanley.

The global financial major expects the next set of triggers could be a rate cut by the Reserve Bank of India, disinvestment and sovereign bond issue, among others. Interestingly, foreign port-

folio investors were significant buyers on Monday as provisional data pegged their net buying at ₹2,684 crore. Foreign investors have ended most days in the recent past as net sellers even as the government took steps to waive tax surcharge that was announced in the Union Budget.

On the other hand, domestic institutional investors (DIIs), who had been supporting the markets with huge buying on a daily basis, were net buyers at ₹291 crore on Monday.

Meanwhile, the renewed investor confidence was clearly visible with more than 1,600 stocks gaining ground on Monday, as against 981 declines. Some of the sectoral indices, representing fast moving consumer goods, financials, banking, capital goods, consumer durables and energy, gained over 3% each.

# SBI to link floating rate retail, MSME loans to repo rate

Changes will become effective from October 1 this year

SPECIAL CORRESPONDENT MUMBAI

State Bank of India (SBI), the country's largest lender, decided to link all the floating rate retail loans and loans to micro, small and medium enterprises (MSME) to the Reserve Bank of India's (RBI) repo rate, with effect from October 1.

In July, SBI had linked home loans to the repo rate but decided to discontinue the product earlier this month after the RBI came out with guidelines, mandating external benchmark-based floating rate products.

Changes to product

"SBI had introduced floating rate home loans effective July 1, 2019. A few modifications have been made in the scheme effective October 1, 2019 to comply with the lat-



RBI had mandated external benchmark-linked interest rate for faster transmission of policy rates. •SOMASHEKAR G R N

est regulatory guidelines," the bank said in a statement.

In the earlier repo-linked home loan product, only the principal component was equated to the monthly instalment while from October 1, both interest and principal will be equated to monthly instalments.

The interest rate of the repo rate-linked loan will be

below the present structure of MCLR-linked loans.

The RBI had mandated external benchmark-linked interest rate to all banks for faster transmission of monetary policy rate.

Linking floating rate loans to repo rate would mean every time there is a change in repo rate, interest rates will change automatically.

# Petronet tanks 5% after firm signs Tellurian deal

'Pact exposes Indian importer to risks'

SPECIAL CORRESPONDENT MUMBAI

Shares of Petronet LNG Limited (PLL) tanked 5.28% on Monday to ₹252.75 on the back of signing an MOU with U.S. based Tellurian Inc. to buy up to 5 million tonnes per annum (MTPA) of LNG from the Driftwood project, concurrent with equity investment.

PLL will invest \$2.5 billion for 18% in Tellurian Inc.'s \$28-billion Driftwood project in Louisiana to negotiate the purchase of 5 mtpa of LNG for 40 years.

Analysts see this move as a significant shift from the firm's current utility model and say that it exposes the

company to gas price and project execution risk.

"Prices will rise by 2025 with significant upcoming liquefaction capacity in the U.S. We would have preferred PLL to enter into a purchase agreement with Driftwood, linked to Asian spot LNG prices which would have insulated PLL from price... risks," said Edelweiss Research in a report.

PLL's board had only six months ago disfavoured such a deal with Tellurian, as the gas was available in plenty and no longer required equity investments, sources said.

(With PTI inputs)

# ZEEL drops 9.6% on share sale

Some lenders sell shares days before standstill pact ends

SPECIAL CORRESPONDENT MUMBAI

Some lenders of Zee Entertainment Enterprises Ltd. (ZEEL), who had entered into a standstill agreement over repayment of debt till September 30, sold shares days before the deadline ended.

Last week, the media and entertainment company had secured from some of the lenders another six-month extension to repay debt. Lenders who did not agree to give more time sold the shares.

Bulk deal

According to NSE data, Catalyst Trusteeship sold 72.5 lakh shares of ZEEL at ₹281.75 per share, thereby pegging the bulk deal value

at ₹204.23 crore.

While it could not be independently confirmed, the buzz in the market was that the lender sold shares on behalf of Kotak Mutual Fund. A spokesperson for Kotak Mutual Fund declined to comment.

While Kotak Mutual Fund had an exposure of around ₹400 crore towards Essel Group, the company had repaid about ₹200 crore early this month.

"Essel Group confirms that the lenders who had not agreed to grant the extension, have exited by selling the pledged shares of ZEEL. The other lenders, who value the assets, have, in-principle, agreed to grant more time to the group," a compa-

ny spokesperson said.

The share sale triggered a 9.63% fall in ZEEL stocks to ₹272.10 on the BSE on a day when the broader indices rose close to 3%. Earlier this month, Essel Group completed the first tranche of stake sale of ZEEL, its flagship entity, to Invesco Oppenheimer Developing Markets Fund and partially repaid the borrowers.

Essel Group had entered into an agreement to sell up to 11% promoter stake in Zee Entertainment to the Fund. In the first tranche, the group sold 8.7% stake in ZEEL.

Following the stake sale, lenders received 45-60% of the total outstanding from Zee Entertainment.

# Reliance Capital tanks after CARE downgrade

Firm says agency move is unjustified

SPECIAL CORRESPONDENT MUMBAI

On a day when the broader indices rose almost 3%, Anil Ambani-led Reliance Capital shares tanked 7.5% after Care Ratings downgraded the firm to default grade.

The ratings agency downgraded the firm's long-term debt, subordinate debt and market-linked debentures to D. The agency took the step after the firm failed to service debt in time. The reason cited was the recent instance of delay in servicing coupon on several non-convertible debentures by the company.

The coupon was subsequently serviced after a de-



Anil Ambani

lay of one working day. "The liquidity profile of the group continues to be under stress due to delay in raising funds from the asset monetisation plan and impending debt payments," Care said. Reliance Capital said the agency's action was 'unjustified.'

# HR integration, main focus of merger, says Indian Bank MD

'Common CBS platform to make process smoother'

SPECIAL CORRESPONDENT CHENNAI

The integration of human resources (HR) would be the main focus area in the amalgamation of Indian Bank and Allahabad Bank, said Padmaja Chunduru, MD & CEO, Indian Bank.

Addressing the first town hall meeting after the boards of the two lenders approved the amalgamation, she said in the process, the banks faced two issues — technology and integration of HR.

Since both the banks worked on the common core banking solutions (CBS) platform, it would make the amalgamation relatively smoother, she pointed out.

It was the integration of HR that held the promise of strong growth for the



Technology and HR integration are the two issues facing the combined entity, says Padmaja Chunduru. •BHOJ GHOSH

merged bank and better career prospects for the employees, she added.

Deriving synergies

According to her, the bank would derive synergies from wider pan-India presence, economies of scale, higher investments in technology and improving productivity.

She said customers would benefit from better customised product and service offerings and digital initiatives that will be rolled out.

S.S. Mallikarjuna Rao, MD and CEO, Allahabad Bank, expressed confidence that the combined entity would turn into a 'great bank in the future'.

# It's business as usual, says Thomas Cook India CMD

U.K. firm ceased to be promoter in 2012

SPECIAL CORRESPONDENT NEW DELHI

Thomas Cook India said it would not be impacted by the collapse of the 178-year-old British tour operator Thomas Cook as it is an entirely different entity since August 2012, when it was acquired by Canada-based Fairfax Financial Holdings.

"Post transfer of its entire stake in Thomas Cook (India) Ltd. to Fairfax, Thomas Cook U.K. ceased to be the promoter of Thomas Cook (India) from August 2012 and since then, Thomas Cook U.K. has had no financial or business stake in Thomas Cook (India) Limited," the company said in a statement on Monday.

The clarification follows debt-laden Thomas Cook U.K. declaring bankruptcy

on Monday. As per reports, the collapse of Thomas Cook U.K. has left about 6 lakh travellers stranded, sparking the U.K.'s biggest repatriation since World War II.

Madhavan Menon, CMD, Thomas Cook (India), said Thomas Cook India Group's cash and bank deposits balances stood at ₹13,890 million as on June 30, 2019.

'Debt-free'

Additionally, the company is debt-free post the prepayment of ₹670 million debt obligations ahead of schedule. The Group generates an average annual free cash flow of around ₹2,500 million, he said. Thomas Cook India shares ended 1.82% lower on the BSE at ₹153.65 apiece.

# NSE hit by technical glitch, trading hit briefly

Exchange looks into reasons

PRESS TRUST OF INDIA NEW DELHI

A technical glitch hit trading terminals of the country's largest exchange NSE on Monday, leaving investors with no real-time updates, markets sources said.

People close to the development said that there was a technical glitch at NSE for about 10 minutes around 3.15 p.m. The problem got resolved minutes before the closing session.

The exchange is looking into the reason for the glitch, they added.

Earlier in the day, many brokers could not get feeds or price updates due to a connectivity issue with one of the Internet services providers, Sify. Later, the issue got resolved.

"There was a connecti-



ty issue with Sify during the morning trade session due to which some brokers could not get feeds. The issue has been resolved by the Internet service provider," an NSE spokesperson said.

ICICI Direct had said in a tweet in the morning, "Price feeds not coming from NSE due to technical issue at NSE end. Limit orders not going across all products. Please place limit price."

# India, Emirates discuss areas of future cooperation

Growth opportunities for Indian banks deliberated

SPECIAL CORRESPONDENT NEW DELHI

India and the United Arab Emirates discussed areas for future cooperation, including growth opportunities for Indian banks, and the potential for private banks operating at the Abu Dhabi Global Market (ADGM) to offer private wealth services in India, according to a joint statement issued by the Ministry of Commerce and the Abu Dhabi Investment Authority.

The joint statement comes following the seventh meeting of the UAE-India High Level Joint Task Force on Investments, which was co-chaired by Sheikh Hamed bin Zayed Al Nahyan, Managing Director of Abu Dhabi Investment Authority (ADIA), and Indian Minister



Mutual understanding: Both sides also discussed the implementation of bilateral agreements. •AP

of Commerce Piyush Goyal. The statement added that the Indian government had agreed to "give an early consideration and mutually beneficial solution" to the issue of tax treatment of the Abu Dhabi Investment Authority's subsidiaries at the ADGM so as to facilitate the authority's investments in

India. "In the context of the Air Services Agreement between India and UAE and the memorandum of understanding with the Emirates of Abu Dhabi, Dubai, Ras-Al-Khaimah and Sharjah, both sides discussed the implementation of these bilateral agreements," the joint statement said.

# Biofuel planes may fly 10 cr. passengers by 2030

Must develop electric aircraft: Singh

SPECIAL CORRESPONDENT NEW DELHI

India has committed to fly 10 crore passengers on bio-fuel-propelled planes by 2030, SpiceJet's chairman and managing director, Ajay Singh said at UN's SDG Climate Summit in New York.

"While we flew just one flight out of the 1.5 lakh flown on biofuels so far, we have committed that by 2030, India will fly 100 million of its passengers, the same number of total passengers we flew in 2015, using safe fuels," he said.

Last year, SpiceJet operated its first-ever flight propelled by a blend of jatropha seeds and aviation turbine fuel for a technological demonstration. He emphasised on the need for all stakeholders, including



Ajay Singh

refineries, passengers, airports and governments, to work together to turn India's commitment into reality. He said there was a need to not only find new ways to burn less fossil fuels, but also to find an alternative to fuel-guzzling planes by pursuing the development of electric aircraft for flying needs of the future.

# ICICI Bank to open 450 new branches

SPECIAL CORRESPONDENT MUMBAI

Private sector lender ICICI Bank is planning to open 450 branches this financial year, of which 320 branches have already been added, the bank said in a statement.

"The bank has made 320 branches operational for customers and in the process, it has crossed the milestone of having 5,000 branches. The milestone branch was set up at Thane in Maharashtra," the bank said. Anup Bagchi, executive director, ICICI Bank, said "We believe that a wide branch network continues to be important for retail banking. It helps deepen the relationship with the customer by serving them a wide range of products and offerings."