

MARKET WATCH

	21-01-2020	% CHANGE
Sensex	41,324	-0.49
US Dollar	71.21	-0.14
Gold	40,807	0.13
Brent oil	64.82	-0.96

NIFTY 50

	PRICE	CHANGE
Adani Ports	379.95	-0.10
Asian Paints	1810.75	-38.00
Axis Bank	717.60	-9.60
Bajaj Auto	3097.05	-6.65
Bajaj Finserv	9534.30	-38.45
Bajaj Finance	4138.60	-14.00
Bharti Airtel	511.75	3.05
BPCL	463.85	6.70
Britannia Ind	3111.25	0.80
Cipla	473.40	-6.75
Coal India	202.15	1.00
Dr Reddys Lab	3060.45	0.85
Eicher Motors	21056.55	-308.55
GAIL (India)	126.75	-1.05
Grasim Ind	771.65	-1.15
HCL Tech	584.05	-5.20
HDFC	2465.45	11.10
HDFC Bank	1244.35	-10.55
Hero MotoCorp	2398.70	-16.90
Hindalco	205.15	-2.15
Hind Unilever	2055.40	-7.45
ICICI Bank	531.05	-3.80
IndusInd Bank	1336.35	4.40
Bharti Infratel	240.50	18.65
Infosys	762.50	-5.95
Indian OilCorp	114.80	-2.70
ITC	238.45	-3.45
JSW Steel	267.25	-4.10
Kotak Bank	1625.10	7.20
L&T	1302.35	-7.25
M&M	552.80	-14.40
Maruti Suzuki	7302.65	-146.95
Nestle India Ltd.	15280.75	-136.50
NTPC	117.15	-1.10
ONGC	122.75	-0.15
PowerGrid Corp	200.60	-4.05
Reliance Ind	1533.90	1.55
State Bank	313.70	-0.30
Sun Pharma	447.40	-2.05
Tata Motors	191.40	-3.60
Tata Steel	476.15	-14.50
TCS	2171.05	0.70
Tech Mahindra	778.90	0.70
Titan	1176.20	-11.65
UltraTech Cement	4483.55	15.90
UPL	577.70	-6.90
Vedanta	153.90	-3.00
Wipro	247.10	-0.90
YES Bank	38.35	-0.30
Zee Entertainment	284.10	13.35

EXCHANGE RATES

Indicative direct rates in rupees x unit except yen at 4 p.m. on January 21

CURRENCY	TT BUY	TT SELL
US Dollar	71.00	71.32
Euro	78.86	79.24
British Pound	92.69	93.14
Japanese Yen (100)	64.52	64.81
Chinese Yuan	10.29	10.33
Swiss Franc	73.36	73.73
Singapore Dollar	52.62	52.87
Canadian Dollar	54.35	54.60
Malaysian Ringgit	17.43	17.52

Source:Indian Bank

BULLION RATES CHENNAI

January 21 rates in rupees with previous rates in parentheses

Retail Silver (1g)	50.6	(50.7)
22 ct gold (1 g)	3815	(3824)

IN BRIEF



Fujitsu General plans to double market share

CHENNAI

Japanese air-conditioner maker Fujitsu General plans to double its market share India in the next two to three years, said a top official. “Currently, we have a market share of 3% and we will consider setting up a manufacturing unit in India when it reaches 6%,” said Etsuro Saito, president, Fujitsu General Ltd. (FGL) Japan. “To achieve this, we are launching new models aimed at the mass Indian AC market for rapid growth,” said Mr. Saito.

Vodafone m-pesa surrenders licence

MUMBAI

The Reserve Bank of India (RBI) has cancelled the certificate of Authorisation (CoA) of payment system operator (PSO) Vodafone m-pesa after the prepaid payment instrument player decided to surrender its licence. Customers or merchants having a valid claim on the firm as a PSO, can approach the company for settlement of their claims within three years from the date of cancellation, that is, by September 30, 2022, the central bank said.

Rane Madras Q3 net dips 66.2% on lower sales

CHENNAI

Rane (Madras) Ltd. (RML) has reported a 66.2% dip in its standalone net profit to ₹3.7 crore for the third quarter ended December 2019. The manufacturer of steering and suspension products and die-casting components posted a total net revenue of ₹280 crore compared with ₹341.9 crore in the year-earlier period. The management’s focus on cost reduction initiatives helped to partially mitigate the impact of the drop in volume, the company said.

Zomato buys Uber Eats in \$300 million all-stock deal

Ride-hailing firm gets 9.99% in Zomato; deal allows Uber to focus on core offering

YUTHIKA BHARGAVA
NEW DELHI

Zomato on Tuesday announced the acquisition of Uber’s food delivery business Uber Eats, in India, in an all-stock deal that will give the U.S.-headquartered ride-hailing services 9.99% stake in Zomato.

Effective Tuesday, Uber Eats’ operations in the country have been discontinued and users, along with restaurants and delivery partners are being directed to Zomato.

Uber, which is aiming to turn profitable by 2021, had launched Uber Eats in India in 2017, and has about 26,000 restaurants listed on the platform across 41 cities.

According to sources, while the Uber Eats India business comprised 3% of the global gross bookings for the company, it accounted for more than 25% of the company’s adjusted EBITDA losses for the first three quarters of 2019 amid stiff competi-

Hungry for more



- Uber Eats began India operations in 2017; has 26,000 restaurants listed in 41 cities
- Uber Eats operations stand discontinued from Tuesday

- Users, restaurants and delivery partners are being directed to Zomato
- Delivery persons will be onboarded to Zomato's fleet
- Status of 245 executive-level Uber Eats staff unclear

tion from Zomato and Swiggy.

Deepinder Goyal, founder and CEO, Zomato, said in a blog that delivery partners associated with Uber Eats India would be on-boarded to Zomato’s fleet. However, a source aware of the details said that there was nothing in the deal about absorbing the 245 executive-level em-

ployees. “This will affect about 245 employees. They will remain with Uber Eats till March. Some of them might be absorbed in some roles in Uber,” the source added. While the two companies did not share any financial details, the deal size is estimated to be about \$300-350 million.

Stating that this acquisi-

tion significantly strengthened Zomato’s position in the category, Mr. Goyal said, “We have acquired Uber Eats India, and with this development, we are the undisputed market leaders in the food delivery category in India.”

He added that the competition in this space would continue to be intense and the food delivery category was still very small when compared with the overall food service market in India.

“This category will continue to grow and get built over the next couple of decades, as we work hand-in-hand with restaurants and food service providers to [deliver] better food to more people.”

A source added that the deal would enable Uber to focus on its core business. The growth in India will be driven by products such as Moto and Auto as the company looks to expand operations to 200 cities in India, from the current 50 cities.

With new launches, Hyundai sees India demand growth in 2020

Expects low single-digit industry growth; eyes multi-purpose vehicle segment

YUTHIKA BHARGAVA
NEW DELHI

Hyundai Motor India expects to see growth in demand for its vehicles in 2020 on the back of a slew of product launches slated for this year, a senior company executive said. The company, which, on Tuesday, launched Aura, a new compact sedan, is expected to introduce newer models of Tucson, i20, Creta and Verano. Hyundai is also looking at entering the multi-purpose vehicle segment in the country.

“We should see positive growth [this year]. With product launches planned this year, we expect to outperform industry in a very competitive environment, and hopefully, gain market share,” the company’s MD and CEO S.S. Kim told *The*



Aura of hope: S.S. Kim, MD and CEO, Hyundai Motor, at the launch of its compact sedan ‘Aura’.

■ KAMAL NARANG

Hindu. In 2019, Hyundai saw its sales decline about 7% compared with a decline of 13% for the industry. Mr. Kim added that in 2020, the industry should see low single-digit rise in demand. “Automotive vehicle demand will be determined based on various factors... maybe the

most important and basic one will be the macroeconomic factor,” he said.

Given the impending transition to newer emission norms, growth may remain flat in the January-March quarter, he said. “From the second quarter, we are cautiously positive about de-

mand.” The Aura, priced between ₹5.79 lakh and ₹9.22 lakh will compete with the likes of Maruti Suzuki’s Dzire and Honda’s Amaze.

Asked why the firm chose to introduce a compact sedan amid declining sales in the segment, he said, “A lot of first-time buyers and family-centric car owners want to drive a sedan.” The segment ended 2019 with sales of 3.38 lakh units or about 11% of the industry, he added. “Even if it is decreasing, it remains a substantial volume...”

He said the company was also looking to enter the multi-purpose vehicle segment in India, and is conducting a feasibility study for the same. He added that the firm may also come out with a first-of-its-kind product and which could not be placed in any segment as of now.

SBI sees retail inflation at 8% in January

Telecom tariff hike to add to pressure

SPECIAL CORRESPONDENT
MUMBAI

There could be more bad news on the inflation front which saw a five-year high of 7.35% in December. The State Bank of India (SBI) has projected consumer price index-based inflation at between 7.8-8% for January in case the current trends in vegetable prices continues.

The report from SBI said core inflation could rise further on the back of telecom price increase and a larger increase could push headline inflation closer to 8%.

“Specifically, we find evidence that retail food prices vis-à-vis wholesale food prices decline slowly when inflation is declining and rising at a much faster pace when inflation is rising, indicating that inflationary expectations are always entrenched and take time to



Rise in retail inflation had prompted the RBI to hold interest rates in December.

die down,” Soumya Kanti Ghosh, group chief economic adviser, SBI, who authored the report, said, adding that this did not portend well for the CPI trajectory going ahead. Rise in retail inflation had prompted the Reserve Bank of India to hold interest rates in the December review of monetary policy, despite cutting the growth forecast.

FMCG growth slows to single digit in 2019: Nielsen

Macroeconomic factors, consolidation among small players led to slowdown

SPECIAL CORRESPONDENT
MUMBAI/NEW DELHI

After two years of clocking double-digit growth, the fast moving consumer goods (FMCG) segment slowed down to single digit growth in 2019 even as the last quarter of the previous calendar year indicated that the slowdown is showing signs of abating.

Nielsen said FMCG grew at 9.7% in 2019, much lower than the previous year’s growth of 13.5%. Further, the growth trend was dampened by a drop in volume growth – down to 5.8% from 10.5% in 2018 – while price-led growth sustained at 3.4%.

“[The year] 2019 has been a tough year for the FMCG industry with a four percentage point decline, but we do



Silver lining: Growth in the last quarter of 2019 showed signs of the slow down stabilising.

■ GETTY IMAGES

see it stabilising in the last quarter of the year. A mix of macroeconomic factors, and channel and zone factors driven by manufacturers, coupled with consolidation of smaller players have been in-

strumental in the slowdown,” said Prasun Basu, South Asia Zone President, Nielsen Global Connect.

“A lower pace of innovation has further limited consumer demand pick up. Ho-

wever, 2020 offers a stable outlook for the industry arresting the 2019 decline,” he added. More importantly, the growth in the last quarter of 2019 – although much lower than the corresponding year-earlier quarter – showed signs of the slowdown stabilising to a certain extent.

“The last quarter of 2019 saw the FMCG industry grow at 6.6% (7.3% with e-commerce), indicating an arrest as against the sharp slowdown witnessed in the previous quarters. The same period a year ago was a high double digit (15.7% in Q4 2018),” said Nielsen.

Going ahead, the growth in the first quarter of 2020 is expected to be in the range of 8% to 9% – the lowest first

quarter growth in three years. Nielsen expects the full year growth to be between 9% and 10%.

Rural demand recovery

In a similar context, rating agency Crisil has said that an expected recovery in rural demand, coupled with steady urban demand, is set to lift revenue growth of the FMCG sector to 10-11% in fiscal 2021, close to the levels witnessed in fiscal 2019.

“Rural demand is expected to recover gradually from March-April 2020, riding on an increase in farm incomes given better storage levels in reservoirs after a good monsoon, better rabi output and good visibility for the upcoming crop seasons,” stated Crisil.

Danfoss invests €15 mn in Pune unit

PRESS TRUST OF INDIA
MUMBAI

Danfoss has invested €15 million to set up a facility in Pune for manufacturing mobile hydraulics for the construction, agriculture and other off-highway vehicle markets.

The company’s Indian subsidiary Danfoss Power Solutions will manufacture products like electronic controls, pumps and valves, among others in this facility. “This is for the first time we are manufacturing these products here for Indian customers as per their needs,” a senior company official said.