MARKET WATCH

	09-03-2020	% CHANGE
Sensex	35635	-5.17
US Dollar	74.17	-0.41
Gold	45063	0.05
Brent oil	36.94	-20.34

NIFTY 50

	PRICE	CHANGE
Adani Ports	321.90	-19.50
Asian Paints	1867.15	-10.30
Axis Bank	623.55	-34.10
Bajaj Auto	2573.35	-161.70
Bajaj Finserv	8207.10	-396.10
Bajaj Finance	4026.80	-199.05
Bharti Airtel	496.25	-22.90
BPCL	423.85	20.75
Britannia Ind	2996.50	-84.90
Cipla	426.15	-8.25
Coal India	157.95	-10.80
Dr Reddys Lab	3061.25	-109.70
Eicher Motors	17885.80	142.25
GAIL (India)	100.45	-7.35
Grasim Ind	634.60	-30.45
HCL Tech	540.45	-25.75
HDFC	2027.90	-81.55
HDFC Bank	1107.30	-27.60
Hero MotoCorp	1956.05	-82.25
Hindalco	143.45	-6.65
Hind Unilever	2121.50	-67.40
ICICI Bank	457.75	-28.60
IndusInd Bank	903.10	-111.70
Bharti Infratel	211.00	7.30
Infosys	704.45	-34.50
Indian OilCorp	99.40	-1.40
ITC	177.20	-4.55
JSW Steel	229.05	-9.75
Kotak Bank	1578.15	-52.90
L&T	1101.95	-56.95
M&M	463.20	-7.80
Maruti Suzuki	6201.10	-244.85
Nestle India Ltd.	16031.35	-397.95
NTPC	102.90	-2.25
ONGC	74.55	-13.95
PowerGrid Corp	180.95	-9.65
Reliance Ind	1114.15	-156.85
State Bank	253.45	-17.05
Sun Pharma	393.35	-7.55
Tata Motors	105.70	-8.50
Tata Steel	322.30	-29.20
TCS	1972.35	-144.10
Tech Mahindra	704.80	-35.60
Titan	1203.45	-39.15
UltraTech Cement	4097.35	-70.50
UPL	513.00	-0.60
Vedanta	94.90	-16.15
Wipro	214.40	-9.15
YES Bank	21.25	5.10
Zee Entertainment	194.45	-26.70

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on March 09

CURRENCY	TT BUY	TT SELL
US Dollar	73.88	74.20
Euro	84.67	85.05
British Pound	96.89	97.32
Japanese Yen (100)	72.41	72.73
Chinese Yuan	10.63	10.68
Swiss Franc	79.92	80.27
Singapore Dollar	53.42	53.66
Canadian Dollar	54.29	54.53
Malaysian Ringitt	17.51	17.60

Source:Indian Bank

BULLION RATES CHENNAI

March 09 rates in rupees with previous rates in parentheses

Retail Silver (1g)	49.5	(50.4)
22 ct gold (1 g)	4181	(4220)

INTERVIEW | PRASHANT KUMAR

'We expect moratorium to be lifted by weekend'

We have full support of the Reserve Bank of India and the State Bank of India for liquidity, says Yes Bank administrator

MANOJIT SAHA

Prashant Kumar, *the RBI-appointed administrator of Yes Bank, says the bank will emerge stronger post moratorium. Edited excerpts from an interview:*

How fast do you think the moratorium can be lifted?

■ According to the RBI notification, April 3 is the outer date. We are expecting that, by this weekend, we will be in a position [such] that the moratorium could be lifted.

How serious is the problem?

■ This bank has two separate components. One is on the retail side and the other is on the corporate side.

What I have seen is, on the retail side, the bank is quite strong. NPAs are very low on the retail side, they are [also] having very good earnings. On the corporate side, they have not taken care of the concentration risk. Loans have been given to entities and unfortunately, all these entities have become non-performing assets (NPAs). They have not been able absorb it.

Is it limited to a particular sector or some entities?

■ It is concentrated to few entities – 5-6 entities are there.

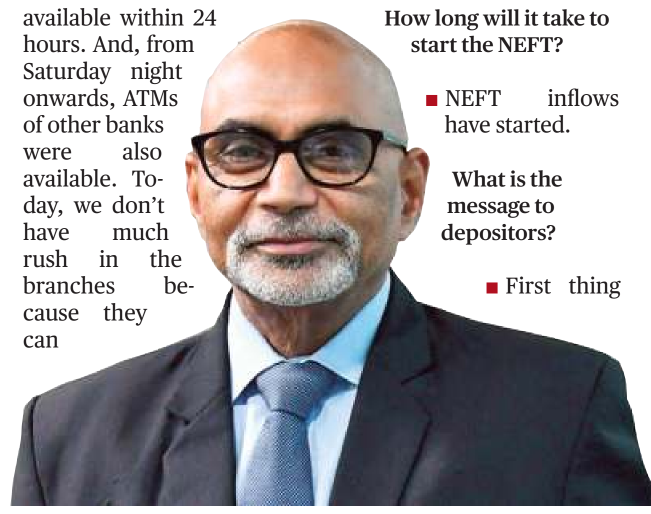
That itself is very high, because it is not a very large bank. For a small bank, you give loans like ₹10,000 crore, ₹5,000 crore and then, if everything becomes NPA, you cannot survive.

For a small bank, it is good have more focus on the retail loan side but here, the focus was on corporate side.

What is your primary focus?

■ My first focus is to bring back normalcy. Today, customers are facing a lot of difficulties because of the restrictions. I cannot give them more than ₹50,000, but I can give them the assurance, I can empathise with the customers.

Several steps have been taken. Our ATMs were available within 24 hours. And, from Saturday night onwards, ATMs of other banks were also available. Today, we don't have much rush in the branches because they can withdraw from ATMs. Today, none of our branches is facing any cash crunch. Not a single customer has been turned away today. We have also started processing requests from customers for emergency situations, like a medical condition where we can disburse up to ₹5 lakh.



How long will it take to start the NEFT?

■ NEFT inflows have started.

What is the message to depositors?

■ First thing is, their deposits are safe and secure, they need not worry. Second, all of us are working to lift the moratorium so that they can do normal banking transactions.

> **There is no need for depositors to panic and shift their deposits to other banks**

Going forward, they are going to have a much stronger Yes Bank. So, there is no need to panic and shift deposits to other banks.

What is the kind of liquidity support the bank is getting from RBI?

■ We have full support from the RBI and the SBI for liquidity.

Depositors could rush to the bank after moratorium is lifted. What will be your strategy?

■ We have started reaching out to customers. The biggest comfort has come from the SBI. When SBI is investing equity, and they say they are behind Yes Bank, then I think the fear among depositors should not be there.

Maybe, we are in a problem but the solution has been worked out so fast. The moratorium was imposed on Thursday night, and the draft plan came within 24 hours. And, when we are saying moratorium will be lifted by the weekend, the central government, the RBI is absolutely behind this. When the resolution has come so fast, it shows the intention and commitment of the government and the RBI.

How much capital would Yes Bank need now?

■ That, we would be able to share when we announce the Q3 results on March 14.

Rupee crosses 74, bond yields drop 12 bps

SPECIAL CORRESPONDENT
MUMBAI

The rupee breached the 74 to a dollar mark on Monday amid a heavy sell-off in the equity markets as the fear of a COVID-19-led economic slowdown gripped various economies.

The rupee opened weak at 74.04, compared with the previous close of 73.87 and went on to touch the day's low of 74.19 a dollar. The currency finally closed the day at 74.17 a dollar or 0.41% lower than its previous close.

Bond yields plunged by 12 basis points on Monday on hopes of interest rate cuts by the RBI to address the slowdown. The sharp drop in oil prices could help lower domestic inflation, given that the country imports over 80% of its crude oil requirement. The yield on the 10-year benchmark government bond, after falling below 6%, ended at 6.07%, down 12 bps.

Oil plunges as producers begin price war

Suffers biggest daily rout since 1991 Gulf War; Saudi, Russia to raise production

REUTERS
NEW YORK

Oil prices crashed on Monday, suffering their biggest daily rout since the 1991 Gulf War, after the collapse of an OPEC+ supply agreement that now threatens to overwhelm the world with oil, inciting panic throughout the energy sector.

After failing to come to an agreement to cut supply, Saudi Arabia and Russia over the weekend pledged instead to ramp up production, which could quickly flood global markets with oil at a time when demand has already weakened substantially.

The market's reaction has been furious, with crude futures plunging by nearly 20%, while energy stocks collapse as shale producers frantically cut future expenditures in anticipation of a drastically different outlook than a few days ago.

Brent crude futures were down \$9.15, or 20.2%, to \$36.12 a barrel by 10.36 p.m. IST. They earlier fell by as much as 31% to \$31.02, their lowest since Feb. 12, 2016. Should these losses hold till end of day trade, it would be the biggest one-day percentage decline for both benchmarks since Jan. 17, 1991, the outset of the U.S. Gulf War, when it fell by a third.

A three-year supply pact between members of the Organization of the Petroleum Exporting Countries, which includes the group's top producer Saudi Arabia, and Russia fell apart on Friday after Moscow refused to support deeper oil cuts to cope with the outbreak of coronavirus.

As inventories rise over the next 3 quarters, Brent prices could temporarily dip into the \$20s, says BoFA. ▪AP

OPEC responded by removing all limits on its own production, prompting fear of a supply hike in a market already awash with crude.

Despite sliding demand for oil due to the coronavirus, Saudi Arabia plans to boost its crude output above 10 million barrels per day (bpd) in April after the current deal to curb production expires at the end of March, two sources told Reuters on Sunday. Saudi Arabia also cut its official crude selling price. The kingdom has been producing around 9.7 million bpd in recent months.

Russia, one of the world's top producers alongside Saudi Arabia and the United States, also said it could lift output and that it could cope with low oil prices for six to 10 years.

The countries, along with several other producers, have cooperated for three years to restrain supply. The OPEC+ talks collapsed after OPEC effectively presented Russia with an ultimatum on Thursday, offering it a choice of accepting a deal with much bigger than expected cuts or no deal at all.

"The prognosis for the oil market is even more dire than in November 2014, when such a price war last started, as it comes to a head with the significant collapse in oil demand due to the coronavirus," Goldman Sachs said. Saudi Arabia, Russia and other major producers last battled for market share in 2014 in a bid to put a squeeze on production from the United States, which has not joined any output limiting pacts and which is now the world's biggest producer of crude.

The global outbreak of the coronavirus prompted OPEC to seek additional output cuts. More than 110,000 people have been infected in 105 countries and territories and 3,800 have died, the vast majority in mainland China, according to a Reuters tally.

China's efforts to curtail the coronavirus outbreak has disrupted the world's second-largest economy and curtailed shipments to the biggest oil importer. The International Energy Agency said on Monday oil demand was set to contract in 2020 for the first time since 2009. It cut its annual forecast by almost 1 million bpd and that the market would now contract by 90,000 bpd.

Major banks also have cut their demand growth forecasts. Morgan Stanley predicted China would have zero demand growth in 2020, while Goldman Sachs sees a contraction of 150,000 bpd in global demand. Bank of America reduced its Brent crude forecast from \$54 a barrel to \$45 in 2020.

"The radical shift in policy suggests that Saudi will allow inventories to build sharply over the next three quarters," said a Bank of America Global Research report. "As a result, we now expect Brent oil prices to temporarily dip into the \$20s range over the coming weeks."

HPCL, BPCL to maximise crude buying

REUTERS
SINGAPORE/NEW DELHI

At least four Asian refiners, including India's HPCL and BPCL, plan to maximise purchases of April-loading Middle East crude after Saudi Arabia drastically cut its prices for term contract buyers, four sources at the refiners said on Monday.

Saudi Aramco on Saturday cut its selling price for Arab Light crude oil to Asia for April to a discount of \$3.10 to the Oman/Dubai average, down \$6 a barrel from the March price, its biggest-ever month-on-month price drop. The sources said they were still waiting for other Middle East producers such as Kuwait and Iraq to issue their official selling prices (OSPs), which are due by the 10th of each month.

The other West Asia producers are expected to cut their April crude OSPs to follow the trend set by Saudi Arabia."In Middle Eastern crude [prices], definitely there will be substantial softness, we will try to maximise to the extent possible," said M.K. Surana, chairman of HPCL.

Two of the four refinery sources said they will seek the maximum amount of crude they can take in April from Saudi Arabia due to the deeply discounted OSPs.

Dow slumps 2,000 points after oil shock

Emergency cut-outs halt trading

REUTERS

Wall Street's main stock indexes plummeted and the Dow Jones Industrials crashed 2,000 points on Monday, as a 22% slump in oil prices and the rapid spread of the coronavirus amplified fears of a global recession.

Trading on U.S. stock exchanges was halted immediately after opening, as the benchmark S&P 500 fell 7% to its lowest since June 2019, triggering an automatic 15-minute cut-out put in place after the 2008-2009 financial crisis. The energy index slumped 15.3% to its lowest level since August 2004 and crude prices were on track for their worst day in three decades as Saudi Arabia moved to significantly raise oil production after OPEC's supply cut agreement with Russia collapsed.

"The lower it goes, the more people are likely to panic even further," said Rick Meckler a partner at Cherry Lane Investments in New Vernon, New Jersey.

"Given the circuit breaker program, it's more likely than not that selling won't continue at this pace throughout the day, but the psychology of things is very much a herd mentality."

Wall Street's fear gauge, halted for the first half hour after opening, jumped to its highest level since the 2008 crisis, while the Nasdaq Composite was on track for its biggest one-day percentage fall since 2011.

> **Declines on Dow were led by oil majors Chevron Corp and Exxon Mobil Corp, which fell more than 7%**

Declines on the blue-chip Dow were led by oil majors Chevron Corp and Exxon Mobil Corp, which fell more than 7%. At 10:40 a.m. ET, the Dow Jones Industrial Average was down 1,424.47 points, or 5.51%, at 24,440.31, while the S&P 500 was down 160.27 points, or 5.39%, at 2,812.10. The Nasdaq Composite was down 446.08 points, or 5.20%, at 8,129.54.

Declining issues outnumbered advancers by more than 21-to-1 on the NYSE and 19-to-1 on the Nasdaq.

The S&P index recorded 211 new lows, while the Nasdaq recorded 867 new lows.

The yield on the benchmark 10-year U.S. Treasury was on course for its biggest one-day fall in almost a decade, sending shares of rate-sensitive financials down 7.9%. Traders now expect U.S. Fed Reserve policymakers to cut interest rates for the second time this month when they meet next week

AGR dues: full evaluation to take 6 months

PRESS TRUST OF INDIA
NEW DELHI

A full evaluation of the self-assessment done by telcos' for AGR dues could take at least six months, given the multiple years and numerous documents that have to be checked, according to a telecom department source. The government, last week, had asked Bharti Airtel, Vodafone Idea and other telecom companies to pay remaining AGR dues as per the SC order.

'COVID-19 outbreak could help agri exports'

Ministry marks 21 products wherein India can grab part of China's market share

YUTHIKA BHARGAVA
PRISCILLA JEBARAJ
NEW DELHI

In the wake of the COVID-19 outbreak, the Centre has identified 21 agricultural products, including honey, potatoes, grapes, soya beans and groundnuts, in which Indian exports could benefit from trade restrictions against Chinese goods.

The total value of China's global exports of these products amounted to \$5488.6 million in 2018. India exported \$4,445.9 million worth of these commodities in the same period and could now have a chance to grab part of China's market share.

"There may be opportunities for Indian exporters of agri-items, in case some countries impose restrictions on Chinese goods in response to outbreak of COVID-19. Opportunities may arise in case of other countries imposing import restriction on these tariff lines," said an analysis of the impact of the virus outbreak on India's agricultural trade, prepared by the Ministry of Agriculture and Farmers Welfare. The report was submitted to the Finance Ministry last week, as part of a wider exercise to analyse the disruptions in global supply chains due to the COVID-19 crisis and chart a government response. Supply shortages and trade restrictions have already had a harsh impact on China's total exports, which dropped more than 17% in January and February, in comparison to the previous year. Chinese imports fell 4% in the same period.

Chinese checkers: Among the 21 products in which India is capable of providing alternatives to China are chillis. ▪REUTERS

"There are 21 agri tariff lines where China's global exports and India's global exports are more than \$25 million and where India is price and volume-wise competitive and capable to provide an alternative," said the Agriculture Ministry analysis, seen by *The Hindu*.

Some of these products include natural honey, onions and shallots, chillis, potatoes, vegetables, guavas, mangoes, grapes, tamarinds, cashew apples, lychees, black fermented tea, spices, groundnuts, soyabeans, paddy, sesamum seeds, vegetable seeds for sowing and plants used in perfumery or pharmacy. Major markets which currently buy these products from China include Vietnam, USA, Japan, U.K., Philippines, Malaysia, Russia and Korea.

'Won't affect us'

The Agriculture Ministry has also said that the impact of the virus outbreak on import of agri items from China "may not affect us to an extent that may lead to any crisis". India imported agriculture items worth \$109.74 million from China in 2018-19, with seven products, including kidney beans, bamboo, cassia, fresh grapes, live plants and plums and sloes, accounting for 84% of that.

"The import of these items are likely to get impacted in case of supply disruption occurs in wake of COVID-19. However, it may be noted that out of the top seven items, only two items - bamboo and kidney beans - are imported in bulk from China in the sense that they are respectively import 35.5% and 41.2% import from China out of India's total imports from the world," the analysis stated. In the case of those two items, India is still striving for self-sufficiency through the Bamboo Mission and the National Food Security Mission.

With regard to Indian exports to China, two items – cotton linter and mango pulp – may get impacted, as they are used as raw material by China for further processing and then export. Apart from these two, most major items are used for domestic consumption in China and may not be too badly hit, said the Ministry analysis. India exported agricultural items worth \$191 million to China during 2018-19, including capsicum, isabgol and cumin seeds.

RBI gets ₹48,856 cr. in bids for LTROs

PRESS TRUST OF INDIA
MUMBAI

The Reserve Bank of India (RBI) on Monday said it has received ₹48,856 crore worth of bids in the fourth long-term reverse repo operation (LTROs) conducted for an amount of ₹25,000 crore with a three-year tenor.

The RBI received 37 bids in the LTRO with a reversal date on March 7, 2023.

"The total bids that were received amounted to ₹48,856 crore, implying a bid-to-cover ratio (i.e., the amount of bids received relative to the notified amount) of 2," the RBI said in a release. The RBI allotted an amount of ₹25,021 crore with a pro-rata allotment percentage of 51.18%.

Last week, the apex bank received ₹1.719 lakh crore in the LTRO conducted for an amount of ₹25,000 crore with a three-year tenor. The RBI conducted two LTROs with three-year and one-year tenors for ₹25,000 crore each on February 17 and February 24, respectively.

It will also conduct LTROs of ₹25,000 crore each on March 30 and March 31.

Petrol, diesel prices cut

May decline further in coming weeks

SPECIAL CORRESPONDENT
MUMBAI

State-owned oil marketing companies (OMCs) have reduced the prices of sensitive petroleum products such as petrol by 24-27 paise a litre and diesel by 24-26 paise a litre across major cities as the price of international crude oil fell the most in a day since the Gulf war in the '90s.

Petrol prices in Delhi decreased by ₹0.24 to to ₹70.59 per litre while diesel dropped by ₹0.25 to ₹63.26 per litre in Delhi, according to Indian Oil Corporation data.

In Mumbai, petrol prices were cut by ₹0.27 and are now retailing at ₹76.29 a litre. Diesel prices, on the other hand, stand at ₹66.24 a litre after witnessing a price cut of ₹0.26 from last changed prices.

Down ₹5 per litre

The prices of petrol and diesel have come down by about ₹5 a litre each since the beginning of this year.

In Kolkata, petrol was retailing at ₹73.28 a litre, down 23 paise compared with yesterday's price of ₹73.51 a litre while a litre of diesel will cost ₹65.59, or 25 paise less than yesterday's rate. Similarly, in Chennai, prices of petrol and diesel are ₹73.33 (25 paise less) a litre and ₹66.75 (26 paise decrease) a litre, respectively.

The prices of petrol and diesel are likely to come down further in the coming weeks as India follows the monthly average pricing of benchmark crude oil.

Experts see the Brent crude oil price fall as a blessing for the macroeconomy as India imports over 83% of its requirements. Shares of state-owned oil marketing companies (OMCs) surged on falling crude oil prices.

On the BSE, shares of HPCL gained 6.17% to close at ₹213.25.

BPCL shares closed up 5.2% to ₹423.80 in a weak Mumbai market on Monday. Meanwhile shares of Indian Oil Corporation (IOCL) fell 1.34% to close at ₹99.45 on Monday.

CCI order on Adani Gas upheld

SPECIAL CORRESPONDENT
CHENNAI

The National Company Law Appellate Tribunal (NCLAT), New Delhi upheld the Competition Commission of India's (CCI) ruling that Adani Gas abused its market position in a case relating to supply and distribution of natural gas in Faridabad.

However, it cut the penalty to 1% from 4% of the average annual turnover for the relevant three years. In 2014, the CCI had imposed a penalty of over ₹25 crore, or 4% of the firm's turnover for the last three financial years. Adani moved NCLAT against this.

The only conclusion was, during the relevant period, there was no gaseous substitute for natural gas available to industrial units in Faridabad, the NCLAT noted and affirmed Adani Gas enjoyed a dominant position in the relevant market. The NCLAT also said the company had made modifications to the gas supply agreements based on its suggestions as well as voluntarily, resulting in consumer-friendly clauses and eliminated discriminatory ones.