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THE MARKETS ON THURSDAY		Chg#
Sensex	32,778.1▼	2,919.3
Nifty	9,590.2▼	868.3
Nifty futures*	9,546.6▼	43.6
Dollar	₹74.2	₹73.6**
Euro	₹83.3	₹83.5**
Brent crude ($/bbl)##	32.0##	34.5**
Gold (10 gm)###	₹43,200.0▼	₹273.0

*(Mar.) Premium on Nifty Spot; **Previous close; # Over previous close; ## At 9 pm IST; ### Market rate exclusive of VAT; Source: IBJA

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RISHI SUNAK'S BUDGET TO MAKE UK VISAS COSTLIER

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NO DOCUMENT NEEDED FOR NPR: AMIT SHAH

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Markets get the shivers

- SENSEX TUMBLES 2,919 POINTS, BIGGEST-EVER IN ABSOLUTE TERMS
- OVER ₹11 TRILLION WORTH OF INVESTOR WEALTH WIPED OUT
- GLOBAL STOCK ROUT DEEPENS AMID GROWTH CONCERNS

SUNDAR SETHURAMAN
Mumbai, 12 March

The carnage in the stock markets, triggered by the spread of coronavirus, intensified after the World Health Organization (WHO) officially declared the outbreak of COVID-19 a pandemic. The domestic benchmark indices slumped over 8 per cent — the most since October 2008 — as investors fretted over the virus's economic toll. The extreme risk-aversion wiped out ₹11.4 trillion worth of investor wealth and sent many stocks and key indices to their multi-year lows.

The Nifty plunged 868 points, or 8.3 per cent, to 9,590, the lowest close since June 2017, while the Sensex dropped 2,919 points, or 8.2 per cent, to end at 32,778, the lowest close in two years. The Indian markets have now joined other global peers in "bear territory", having crashed 20 per cent from the recent peak.

Most global markets tumbled on Thursday, with some even triggering trading halts, as the virus spread to 114 countries, affecting 118,000 and claiming over 4,300 lives. The WHO said it expected the number of cases, deaths and affected countries to climb even higher, prompting nations to impose travel restrictions and taking other drastic steps to isolate people at the cost of hurting economic activity.

The Dow Jones index of the US was on course for its worst performance since Wall Street's "Black Monday" crash of 1987, as President Donald Trump's move to curb travel from Europe added to growing corporate distress over the coronavirus pandemic. The index was down over 8 per cent as of 12:20 am (IST).

The SGX Nifty slipped below 9,000 after the US market dropped in opening trade. This could mean another day of carnage in the Indian markets when it opens on Friday.

"The markets are gripped by panic. Everybody is staring at uncertainty, with even mature markets like the US and Europe reacting violently. We are seeing a chain reaction," said Motilal Oswal, chairman and managing director, Motilal Oswal Financial Services.

Market players said while valuations of many stocks had become attractive compared to historical levels, the uncertainty about the kind of damage the virus would cause to the economy and corporate earnings was stopping people from taking large buy positions.

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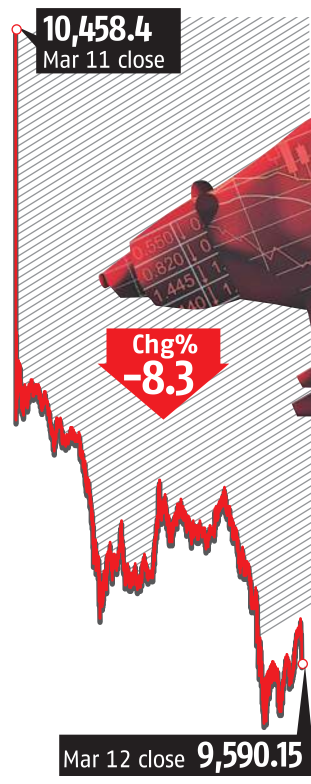
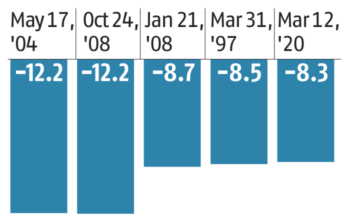
COVID-19 IMPACT



TOP 5 MARKET FALLS
Thursday's fall was the fifth-biggest for the Nifty in percentage terms



AT A LOW EBB
Many Nifty components and headline indices have closed at multi-year lows

	Price (₹)	Lowest since
Coal India	155	All-time low
ONGC	63	Sep 23, 2003
Tata Motors	88	Aug 21, 2009
ITC	156	Jun 05, 2012
Zee	191	Nov 20, 2012

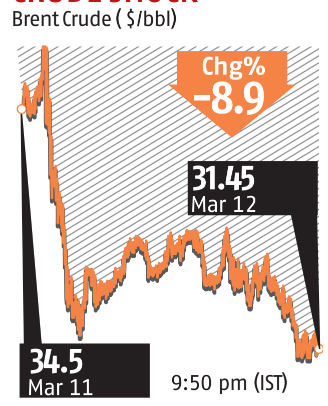
KEY INDICES	March 12 closing	Lowest since
Sensex	32,778	Mar 23, 2018
Nifty	9,590	Jun 30, 2017
Nifty Midcap 100	14,243	Dec 29, 2016
Nifty Smallcap 100	4,671	Mar 02, 2016
Bank Nifty	23,971	Mar 23, 2018

GLOBAL PAIN

US (Mar 12) 12:20 am (IST)	
DOW JONES	21,557 -8.5%
S&P 500	2,529 -7.8%
NASDAQ COMPOSITE	7,362 -7.4%

	Mar 12, 2020	Chg 1D (%)
Europe (9:50 pm IST)		
CAC 40 Index	4,050	-12.1
DAX Index	9,214	-11.7
Euro Stoxx 50 Pr	2,553	-12.1
FTSE 100 Index	5,298	-9.9
Asia		
NIKKEI 225	18,560	-4.4
Taiwan TAIEX	10,422	-4.3
Straits Times	2,679	-3.8
Hang Seng	24,309	-3.7
FTSE Bursa	1,419	-1.7
Shanghai SE	2,923	-1.5

CRUDE SHOCK
Brent Crude ($/bbl)



Source: Bloomberg/Exchange
Compiled by BS Research Bureau

$2-bn swaps to deal with currency swings

ANUP ROY
Mumbai, 12 March

The Reserve Bank of India (RBI) on Thursday moved to address the dollar shortage in the market by offering a $2-billion swap for six months — a step that should ease pressure on the rupee, which is marching towards its record low.

The RBI will do a sell-buy swap, which means the central bank will sell dollars in the market now and buy them back six months down the line (or decide to roll over).

In March last year, the RBI had done buy-sell swaps for three years. Then, it had bought dollars in the spot market to infuse immediate rupee liquidity into the system.

In a statement on its website, the RBI said it was doing the swaps in view of the intense selling pressure witnessed worldwide on "extreme risk aversion due to the spread of COVID-19 infections". This is "compounded by the slump in international crude prices and a decline in bond yields in advanced economies". All asset classes are witnessing a spike in volatility, with mismatches in US dollar liquidity accentuating across the world, it noted.

Thursday's swap is the first of many such possible ones to come, as the Indian central bank gears up to utilise its formidable foreign exchange reserves to soothe the nerves of the market. For this purpose, the level of forex reserves, at $487.24 billion as of March 6, "remains comfortable to meet any exigency", the RBI said.

The rupee touched 74.50 a dollar in intra-day trade, crossing its record low of 74.46 a dollar in October 2018, as foreign portfolio investors (FPIs) continued to liquidate their local holdings in favour of the US Treasury. In March so far, FPIs have liquidated $2.67 billion in equities and $1.2 billion in bonds. The rupee closed at 74.22 a dollar on Thursday.

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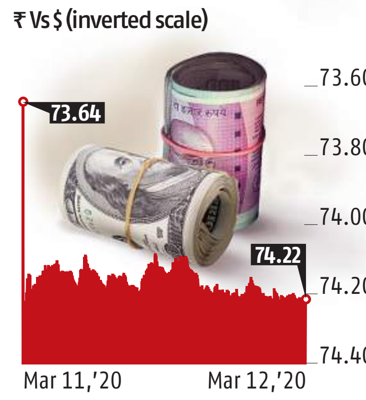
RUPEE SINKS
₹ Vs $ (inverted scale)



BATTERED BILLIONAIRES
Promoter stake value (₹ crore) as of March 12
Change (%) ■ Over Feb 20* ■ Over March 11

GAUTAM ADANI
Adani Group
94,756
-37 | -14

KM BIRLA
Aditya Birla Group
39,977
-29 | -11

MUKESH AMBANI
Reliance Ind
328,884
-29 | -8

RAHUL BAJAJ
Bajaj Group
51,900
-22 | -8

SHIV NADAR
HCL Tech
80,307
-19 | -8

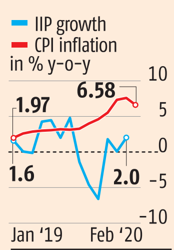
*Global markets started falling from Feb 20 on coronavirus fears Note: Promoters with stake more than ₹25,000 crore
Source: Capitaline Compiled by BS Research Bureau

DETAILED REPORTS P10, 11

FACTORY OUTPUT EXPANDS; RETAIL INFLATION EASES

India's macro economy showed slight signs of improvement as industrial output rose by 2 per cent in January against 0.07 per cent in the previous month, and the retail price inflation rate fell for the first time in seven months to 6.58 per cent in February from 7.59 per cent a month ago. However, the inflation rate remained above the RBI's comfort zone of 6 per cent. Contributing to the improvement, the current account deficit fell to 0.2 per cent of GDP in the third quarter against 0.9 per cent in the second quarter of the current financial year.

MACROECONOMIC SCENARIO



CAD narrows sharply to $1.4 billion in Q3

The country's current account deficit (CAD) narrowed sharply to $1.4 billion, or 0.2 per cent of GDP, for the December 2019 quarter, the RBI said on Thursday. The deficit had stood at 2.7 per cent in the corresponding quarter a year ago and 0.9 per cent in the previous quarter. The sharp contraction was mainly due to a lower trade deficit of $34.6 billion, and a rise in net services receipts, the central bank said.

Bank credit grows 6.13% in second half of Feb

Bank credit grew 6.13 per cent to ₹101.04 trillion while deposits expanded by 9 per cent to ₹133.31 trillion in the fortnight to February 28, according to the latest Reserve Bank data. In the year-ago fortnight ended March 1, 2019, bank advances were ₹95.20 trillion while deposits stood at ₹122.30 trillion. PTI

COMPANIES P3

SBI to invest ₹7,250 cr to rescue YES Bank

State Bank of India (SBI) on Thursday said it would infuse ₹7,250 crore into ailing YES Bank to buy up to 49 per cent equity as part of the Reserve Bank of India-mandated bailout plan. SBI will pick up 7,250 million shares at ₹10 each, and its shareholding will remain within 49 per cent of the paid-up capital of the private sector lender.

India reports first COVID-19 death

CORONAVIRUS PANDEMIC

A 76-year-old man who died two days ago in Karnataka while being treated for suspected coronavirus has become India's first COVID-19 fatality with his samples taken earlier confirming the infection, the state government said. 6 ▸

EDIT: COPING WITH CORONAVIRUS 9 ▸

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DoT to reassess AGR dues based on telcos' papers

The Department of Telecommunications said it would reassess the documents submitted by Bharti Airtel, Vodafone Idea, and Tata Teleservices, as part of the companies' self-assessment of adjusted gross revenue dues. The telecom service providers have been directed to make payments on the basis of self-assessment and submit requisite documents for compliance, said Sanjay Dhotre, minister of state for communications.

COMPANIES P3

FinMin: Ensure credit not disrupted after merger

Finance Minister Nirmala Sitharaman on Thursday met chief executives of two sets of public sector banks (PSBs) which are going to be merged on April 1. After the meeting, the finance ministry tweeted that the banks had been told to ensure that credit was not disrupted because of the amalgamation process.

Tata Sons buys group firms' shares amid market sell-off

Stock prices are down 20-40% year-to-date

JASH KRIPLANI
Mumbai, 12 March

Tata Sons, the promoter company of the Tata group, on Thursday bought shares worth ₹531 crore in four group companies in a bulk deal on the National Stock Exchange (NSE).

The company bought shares on a day when the stock markets racked up their largest single-day loss in terms of points.

The largest investment was made in Tata Steel, with Tata Sons buying shares worth ₹222 crore at an average price of ₹287 per share.

Tata Steel on Thursday ended 4 per cent lower on the NSE.

The stock is down 39 per cent since the beginning of February. Year-to-date, it is down 37 per cent.

Tata Sons also bought ₹177 crore worth of shares in Indian Hotels at an average buying price of ₹107. On Thursday, the share price of the hotel company was down 3.5 per cent. Year-to-date, the stock is down 23 per cent. Analysts say the hotel company can see some pressure on its stock because of coronavirus.

"The share purchase could be attributed to promoters looking to increase their stake, with prices falling to levels they deem to be below the fair value of their businesses," said S P Tulsian, chief executive officer of sptulsian.com.

Tata Sons held 31.6 per cent in Tata Steel, and 36.4 per cent in Indian Hotels Company, as of December 31, 2019.

The company bought shares worth ₹53 crore in Tata Power, and ₹79 crore in Tata Motors DVR. Year-to-date, the share price of Tata Power is down 28 per cent. Tata Motors DVR shares are down 43 per cent year-to-date.

According to broking houses, promoter group companies can act during such broad market sell-offs, to arrest the sharp price declines and protect investors' interests.

Tata Sons held 34.26 per cent in Tata Power at the end of December 2019.

RAISING THE STAKES

Stock	Avg. buying price	No. of shares (in mn)	Amt. invested (₹ crore)	Price chg on Thursday (%)
Tata Steel	287.44	7.7	222	-4.1
Indian Hotels	107	16.5	177	-3.5
Tata Motors DVR	43.15	18	79	1.3
Tata Power	38.72	13.8	53	6.5

Source: NSE bulk deals on Thursday

SUN PHARMA TO CONSIDER BUYBACK

Sun Pharmaceutical Industries on Thursday announced that its board would consider buyback of the firm's shares next week. According to analysts, more promoters could launch buybacks to reinforce shareholders' confidence and protect their market caps. "We are seeing unprecedented carnage in the markets. Promoters would now look at ways to prevent further erosion of shareholder wealth. We could see more companies announce dividends and buybacks to keep shareholders' confidence intact," said G Chokkalingam, MD, Equinomics Research and Advisory Services. JASH KRIPLANI

RBI asks states not to withdraw funds from private banks

ANUP ROY
Mumbai, 12 March

The Reserve Bank of India (RBI) on Thursday urged the chief secretaries of all states to not withdraw deposits from private sector banks for the sake of financial sector stability, and assured them of the safety of these funds.

The government of Maharashtra recently closed one account with Axis Bank, and decided to transfer funds from the private sector to public sector banks. The state government also advised its various departments to not put funds with private sector banks in view of the YES Bank fiasco. A few other state governments are also contemplating similar actions.

"We strongly believe that such a move can have banking and financial sector stability implications," the letter, signed by RBI Deputy Governor N S Vishwanathan, stated.

"We would like to point out that the Reserve Bank has adequate powers to regulate and supervise private sector banks, and by using these powers, it has ensured that the depositors' money is entirely safe," Vishwanathan said.

Business Standard has reviewed a copy of the letter.

The apprehension about the safety of deposits is "highly misplaced" and such a "reactive decision" will not be in the interests of the stability of the financial system in general and the banking system in particular, he said.

The resolution of weak private sector banks in the past has been done in a manner that the "depositors are not put to loss". In the case of YES Bank too, after the imposition of a moratorium, the RBI drew up a draft scheme "without any delay", the deputy governor wrote, adding that the central bank was making "every effort to expedite the finalisation of the scheme".

"We, therefore, request you to reconsider any decision you might have already taken or are in the process of taking to withdraw/transfer funds deposited by the state government and its entities under your jurisdiction in private sector banks," he said.

FROM THE RBI LETTER

- Financial sector stability could get impacted if states withdraw deposits from private banks
- Concern on safety of deposits is "highly misplaced"
- RBI has earlier ensured that depositors' money is entirely safe
- RBI making every effort to resolve YES Bank crisis