MARKET WATCH

	09-04-2020	% CHANGE
Sensex	31160	4.23
US Dollar	76.28	0.08
Brent oil	33.05	1.11

NIFTY 50

	PRICE	CHANGE
Adani Ports	251.90	1.05
Asian Paints	1651.35	42.40
Axis Bank	420.15	28.80
Bajaj Auto	2435.95	194.25
Bajaj Finserv	4820.25	211.75
Bajaj Finance	2551.85	218.95
Bharti Airtel	488.70	27.05
BPCL	344.90	2.60
Britannia Ind	2801.70	26.15
Cipla	579.60	66.85
Coal India	140.80	3.45
Dr Reddys Lab	3621.55	-61.45
Eicher Motors	13742.30	583.80
GAIL (India)	87.75	2.20
Grasim Ind	530.55	17.95
HCL Tech	469.05	5.95
HDFC	1703.10	144.30
HDFC Bank	925.05	36.15
Hero MotoCorp	1990.90	169.25
Hindalco	107.55	6.70
Hind Unilever	2372.25	-88.60
ICICI Bank	342.70	23.75
IndusInd Bank	395.40	-3.75
Bharti Infratel	173.90	7.50
Infosys	636.25	4.65
Indian OilCorp	83.40	1.65
ITC	185.25	6.60
JSW Steel	166.30	11.70
Kotak Bank	1272.90	85.25
L&T	812.80	5.70
M&M	381.40	55.00
Maruti Suzuki	5326.65	628.55
Nestle India Ltd.	16839.70	-31.55
NTPC	87.10	1.90
ONGC	77.30	2.85
PowerGrid Corp	164.45	6.10
Reliance Ind	1219.95	27.80
State Bank	187.75	4.75
Shree Cement	16935.30	871.35
Sun Pharma	454.45	17.75
Tata Motors	74.60	7.00
Tata Steel	284.85	10.10
TCS	1766.15	60.70
Tech Mahindra	545.25	-13.65
Titan	1013.85	100.40
UltraTech Cement	3366.05	109.60
UPL	319.00	-1.20
Vedanta	76.80	6.50
Wipro	196.70	3.80
Zee Entertainment	149.85	6.70

EXCHANGE RATES

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

CURRENCY	TT BUY	TT SELL
US Dollar	76.09	76.41
Euro	82.65	83.00
British Pound	94.61	95.02
Japanese Yen (100)	69.89	70.21
Chinese Yuan	10.78	10.83
Swiss Franc	78.31	78.65
Singapore Dollar	53.45	53.68
Canadian Dollar	54.20	54.43
Malaysian Ringitt	17.54	17.63

Source:Indian Bank

Inflation may drop to 2.4% in FY21: RBI

Regulator refrains from making growth forecast amid COVID-19 induced fluid circumstances

SPECIAL CORRESPONDENT
MUMBAI

Renewed bouts of global financial market volatility could exert pressure on the rupee, says the RBI. • V. V. KRISHNAN

The consumer price index (CPI)-based inflation, which had stayed elevated in the last few months, is expected to soften during the course of the financial year, the Reserve Bank of India (RBI) said in its monetary policy report (MPR).

"CPI inflation is tentatively projected to ease from 4.8% in Q1 of 2020-21 to 4.4% in Q2, 2.7% in Q3 and 2.4% in Q4, with the caveat that in the prevailing high uncertainty, aggregate demand may weaken further than currently anticipated and ease core inflation further, while supply bottlenecks could exacerbate pressures more than expected," the RBI said. The central bank said, looking ahead, the balance of inflation risks is slanted even further towards the downside.

The MPR was released on Thursday. The report follows the unscheduled monetary policy meeting held in end March to discuss the uncertainties arising from the nationwide lockdown. Since the review was conducted in end March, the early policy review, scheduled for April, was withdrawn.

"Given the compilation of the CPI for March and the following few months by the National Statistical Office could also become challenging. For 2021-22, assuming a normal monsoon and no major exogenous or policy shocks, structural model estimates indicate that inflation could move in a range of 3.6-3.8%," the RBI said. The RBI had reduced the repo rate by 75 basis points (bps) to 4.4% in the monetary policy review while cash reserve ratio was reduced by 100 bps to 3%. The cental bank, however, refrained from making any prediction on growth. "Under highly fluid circumstances in which incoming data produce shifts in the outlook for growth on a daily basis, forecasts for real GDP growth in India are not provided here, awaiting a clear fix on the intensity, spread and duration of COVID-19," the RBI said while observing the economy was looking up before the virus broke out.

Oil price drop

"The sharp reduction in international crude oil prices, if sustained, could improve the country's terms of trade, but the gain from this channel is not expected to offset the drag from the shutdown and loss of external demand," the report said.

The RBI said relatively modest upsides are expected to emanate from monetary, fiscal and other policy measures and the early containment of COVID-19, if that occurs. However, it added, such uncertainties make the forecasting of inflation and growth highly challenging.

On exchange rates, the central bank said renewed bouts of global financial market volatility caused by the uncertainty of macroeconomic impact of the COVID-19, as in February-March 2020, could exert pressure on the Indian rupee.

"Should the rupee depreciate by 5% from the baseline, inflation could edge up by around 20 bps while GDP growth could be higher by about 15 bps through increased net exports," it said.

In contrast, should COVID-19 normalise quickly, strong capital flows could revive. An appreciation of the rupee by 5% could moderate inflation by around 20 bps and GDP growth by around 15 bps vis-a-vis the baseline," the RBI said.

Industrial output grows 4.5% in Feb.

Higher output in power, manufacturing

SPECIAL CORRESPONDENT
NEW DELHI

India's factory output accelerated 4.5% in February in comparison to the previous year. The growth in the Index of Industrial Production came on the back of higher output in mining, electricity and manufacturing sectors, according to the data released by the National Statistical Office on Thursday.

The cumulative growth for the financial year so far, from April to February 2019-20, stands at 0.9%

February saw the second straight month of improved industrial output after a contraction in December.

Plunge likely

However, the IIP is likely to plunge drastically again for March, due to the lockdown caused by the COVID-19 pandemic, which has resulted in a halt in most business. The mining sector saw a robust 10% growth in production in February, while the electricity sector saw 8.1% growth in comparison to the previous year. Manufacturing sector output grew more cautiously, at a rate of 3.2%.

In terms of industries, 13 out of 23 groups in the manufacturing sector showed positive production growth in February.

Industries manufacturing basic metals saw the highest output growth of more than 18%, while chemicals manufacturing saw production rise 8%.

However, the auto sector saw a major slump in February, with the manufacture of motor vehicles, trailers and semi-trailers contracting 15.6%. Computer and electronics manufacturing output also saw negative growth of almost 15%.

Rupee hits fresh low during intraday trade

RBI intervention helps cut losses

SPECIAL CORRESPONDENT
MUMBAI

The rupee hit a record low during intraday trade on Thursday, which prompted the central bank to intervene to help the currency to cut some losses. After opening at 76.11 a dollar as compared to its previous close of 76.34, the rupee hit an all-time low of 76.55 in afternoon deals. It finally closed at 76.28, up 6 paise from its previous close.

Risk aversion

"In the current scenario, [which is] witnessing thin trading and wide bid-ask spreads amid truncated market hours in the local markets, we expect continuation of risk aversion, coupled with lack of trading activity. This is likely to drive the USD/INR pair with an upside bias, especially considering that the spread of COVID-19 appears to be increasing," said Mandar Pitale, head, Treasury, SBM Bank India, adding that the pair is likely to "trade within the 76.20-76.80 band for the next few days with an upward bias."

The rupee has been depreciating despite the Reserve Bank of India infusing dollars in the currency market since last month.

Equity MF inflow most in 2 years

Beaten-down valuations attract investors in March

SPECIAL CORRESPONDENT
MUMBAI

Equity mutual fund (MF) schemes saw the highest-ever monthly inflows in two years as investors looked to invest at a time when most shares are available at highly beaten-down valuations even as the month saw overall industry outflows at the highest quantum since September 2018.

In March, the net inflow into equity schemes was pegged at ₹11,722.74 crore, as per data from the Association of Mutual Funds in India (AMFI). This was the highest monthly inflow since February 2018 when such schemes registered inflows of ₹14,683 crore.

Further, there was a rise in the number of SIP (systematic investment plans) folios as well in March.

The overall mobilisation via SIPs in 2019-20 was pegged at a little more than ₹1 lakh crore, higher than the previous fiscal's ₹92,693 crore. This assumes significance as the benchmark Sensex lost a little over 23% in March — the highest monthly drop in more than 11 years.

"Instead of exiting their investment in equity funds, retail investors have not only held on, but added more assets and folios through SIPs," said N. S. Venkatesh, chief executive, AMFI.

Debt schemes, however, saw massive outflows of almost ₹1.95 lakh crore, which was in line with most quarter-end trends on account of redemption pressures to meet advance tax payment requirements.

"Periodic advance tax payments are a reason for a rise in outflows in March every year, this year though, there are a few supplementary factors that have piled on," said Tarun Birani, founder and chief executive officer, TBNG Capital Advisors.

Meanwhile, the huge redemption pressure in debt funds led to an overall outflow of ₹2.13 lakh crore from the industry assets, the highest monthly outflow since September 2018.

Equities stage smart rally on fiscal stimulus hopes

FPIs net buy ₹1,738 crore in shares

SPECIAL CORRESPONDENT
MUMBAI

Equity benchmarks gained strong ground on Thursday with the Nifty closing above the psychological 9,000-mark for the first time since March 16. The gains were primarily due expectations that the government might soon announce a stimulus package. A positive trend in Asian economies on hopes that the COVID-19 pandemic might be peaking acted as a strong catalyst.

The 30-share Sensex gained 1,265.66 points, or 4.23% to close at 31,159.62.

On an overall basis, more than 1,800 stocks gained as against 538 that declined.

The broader Nifty moved up 363.15 points or 4.15% to close at 9,111.90. Foreign portfolio investors (FPIs) continued to be net buyers at ₹1,738 crore while their domestic counterparts sold shares worth ₹466 crore.

IN BRIEF

Kotak Group leadership takes 15% salary cut

MUMBAI

Private sector lender Kotak Mahindra Bank has said that the group's leadership team had unanimously and voluntarily opted to take a 15% cut in compensation for the financial year 2020-21 in view of the economic impact of the COVID-19. "Uday Kotak has personally opted to forgo his salary, and will receive ₹1," the lender said. The bank said the revival of the economy will depend on a healthy and robust financial sector.

RBI gets ₹1.13 lakh cr. bids in targeted LTRO

MUMBAI

The Reserve Bank of India (RBI) on Thursday said it had received ₹1.13 lakh crore worth of bids in the targeted long-term repo operation (LTRO) conducted for an amount of ₹25,000 crore with a three-year tenor. The RBI received 18 bids in the auction. The total bids received amounted to ₹1.13 lakh crore, implying a bid to cover ratio — the amount of bids received relative to the notified amount — of 4.5, the RBI said in a release. It allocated ₹25,016 crore on a pro-rata allotment percentage of 22.04%. PTI

Cognizant withdraws 2020 guidance on virus impact

Businesses hit, client demand set to drop in Q2 as well

SPECIAL CORRESPONDENT
BENGALURU

Cognizant has decided to withdraw its revenue guidance for calendar year 2020 against the backdrop of fluid economic environment and COVID-19-driven market uncertainties.

"The long-term fundamentals of our business remain strong. However, given the unprecedented nature of this crisis, uncertainty around its duration and its impact on our ability to forecast performance, the company is withdrawing its 2020 guidance that was provided on February 5, 2020," said Brian Humphries, CEO,Cognizant, on Thursday.

However, he said he was happy to see business momentum in the first two months of the quarter and was grateful to all associates for their commitment and professionalism which enabled Cognizant to meet its previously-announced revenue guidance.

He further said, "We acted decisively to limit COVID-19's impact on our business, including rapidly enabling work-from-home capabilities across delivery teams.''

"In this fluid environment where uncertainty prevails, we are well-positioned with deep client relationships across more than a dozen industries, and a strong balance sheet that provides solid financial flexibility."

Cognizant said its first quarter revenue was expected to be in the $4.22 billion to $4.23 billion range, up 2.7-2.9% (3.4-3.6% in constant currency) over the corresponding quarter last year. Financial performance in the first two months of the quarter was on track to exceed previous guidance, driven by strong performance across North America.

Work-from-home

During the latter part of March, the company said, COVID-19 had increasingly affected business, largely due to delays in project fulfilment in India and the Philippines, shifted to work-from-home and reduced client demand, primarily in the travel and hospitality industries.

Cognizant expects the pandemic to further reduce client demand in Q2, as its societal and economic impact causes broader disruptions across industries.

'Airlines must not sell tickets from Apr. 14'

STAFF REPORTER
NEW DELHI

The government must "immediately review" its decision to allow airlines to continue to sell tickets from April 14 when there has been no decision on lifting the lockdown, else passengers will face steep losses, aviation consultancy CAPA said.

"As of now , significant funds of passengers are already locked with Indian carriers as a result of advance bookings prior to the lockdown and a decision to allow bookings post April 14 without any decision of lifting the lockdown will increase the risks which need to be avoided," it said in a statement.

Even after the lockdown is lifted, CAPA said, airlines should be allowed to sell tickets for those routes that are opened up by the government and not for the entire network, according to the aviation consultancy company.

IOC plans to double LPG imports as demand rises

Delivers over 3.38 cr. cylinders in 15 days

SPECIAL CORRESPONDENT
MUMBAI

Indian Oil Corporation (IOCL) plans to double its LPG imports amidst rising demand for cooking gas in India arising in the course of the COVID-19 lockdown.

"The Corporation has tied up for additional imports of the product for April and May (to the tune of about 50% over normal imports) to ensure uninterrupted availability of bulk LPG for its bottling plants," said IOC in a statement.

IndianOil had delivered more than 3.38 crore LPG cylinders to its customers in the last 15 days since the lockdown was implemented, that is, 26 lakh cylinders every single working day.

Extended hours

"IndianOil is taking steps to increase LPG production at its major refineries by optimising its major operations, improving LPG yield in LPG producing units. The Corporation's LPG bottling plants, too, are working extended hours, operating night shifts and on public holidays/Sundays, to meet the growing demand. The transport infrastructure linking the plants to the distributors has also been optimised for quick turnaround of cylinders," said the statement.

IndianOil has also advised its distributors to give priority refill deliveries to LPG customers under Pradhan Mantri Ujjwala Yojana- for whom the Centre has extended three LPG refills free of cost during the months of April, May and June 2020.

NAREDCO, Assocham for $200 bn relief

SPECIAL CORRESPONDENT
MUMBAI

NAREDCO, the industry body of real estate developers, and industry association Assocham, have urged the government to provide a relief package of more than $200 billion, which is about 10% of the nation's Gross Domestic Product (GDP), for Indian industry.

They said the amount could be pumped into the economy in a staggered manner to retrieve the business cycle without incurring further loss.

"The industry seeks working capital to ensure that the Indian economy does not tank; business organisations do not default and saddle banks with NPAs, as also cause job losses," Niranjan Hiranandani, national president, NAREDCO and Assocham, said. He added, "We need a stimulus of over $200 billion with an ability to go up to $300 billion."

IndiGrid to buy Sterlite unit for ₹1,008 crore

SPECIAL CORRESPONDENT
MUMBAI

The board of the investment manager of IndiGrid has approved the acquisition of Gurgaon-Palwal Transmission Limited (GPTL) from Sterlite Power for ₹1,008 crore.

The acquisition would increase IndiGrid's assets under management by 10% to $1.75 billion and its portfolio will rise to ten power transmission projects with a total network of 25 power transmission lines and seven sub-stations. IndiGrid had signed a framework pact in 2019 with Sterlite Power for the acquisition.

News, movies keep people glued to television

Viewership rose by 4% in the week ended April 3 over previous week: BARC India-Nielsen

SPECIAL CORRESPONDENT
MUMBAI


The growth in TV consumption in the week was driven by movies (77% growth), BARC India executives said. • REUTERS

Television viewership increased by 4% in the week ended April 3, 2020, over the previous week as people remained glued to TV to watch news and movies during the ongoing lockdown period.

As compared to the pre COVID-19 period (January 11 to January 31) TV consumption has gone up by 43% across India, as per data released by BARC India and Nielsen.

The Prime Minister's request to switch off lights at 9 p.m. on April 5, garnered the lowest-ever total TV viewership for those nine minutes.

Viewership was down 60%, indicating that over half of India's population could have participated in the diya/candle lighting event.

The growth in TV consumption in the week was driven by movies (77% growth), BARC India's top executives said.

DD National became the most-watched channel during the week, across India, with the telecast of classics such as Ramayan and Mahabharat.

> Non-primetime continues to be the growth driver with early morning and late night slots also showing a growth

"Non-primetime continues to be the growth driver for TV (81% over the pre-COVID period) with early morning and late night slots also showing a growth," officials said.

Gaming continued to show growth (44% over the pre-COVID period) and categories like virtual education and virtual devices increased consumption, they added.

Free commercial time (FCT) on TV advertising grew by 9% on the back of social advertising, as per the findings.