

MARKET WATCH

	03-04-2020	% CHANGE
Sensex	27,591	-2.39
US Dollar	76.13	-0.70
Brent oil	33.48	..

NIFTY 50

	PRICE	CHANGE
Adani Ports	244.80	0.00
Asian Paints	1520.90	-82.30
Axis Bank	325.45	-33.20
Bajaj Auto	2033.75	-17.35
Bajaj Finserv	4510.75	8.85
Bajaj Finance	2207.50	-11.85
Bharti Airtel	423.95	2.60
BPCL	317.15	14.20
Britannia Ind	2563.25	-1.60
Cipla	449.20	35.45
Coal India	137.75	-1.70
D R Reddy's Lab	3146.80	51.80
Eicher Motors	12680.05	-321.55
GAIL (India)	80.90	5.15
Grasim Ind	454.70	-21.45
HCL Tech	405.80	-7.75
HDFC	1499.55	-83.95
HDFC Bank	813.85	-15.80
Hero MotoCorp	1582.05	-57.60
Hindalco	88.80	-2.85
Hind Unilever	2154.10	-25.55
ICI Bank	286.65	-24.50
IndusInd Bank	313.20	-29.05
Bharti Infratel	156.40	1.30
Infosys	585.70	-17.10
Indian Oil Corp	79.50	0.55
ITC	177.90	11.50
JSW Steel	140.70	-2.30
Kotak Bank	1140.85	-40.80
L&T	774.65	0.30
M&M	280.70	7.85
Naruti Suzuki	4011.50	-234.85
Nestle India Ltd.	15104.65	-549.90
NTPC	79.55	-1.45
ONGC	69.85	4.10
PowerGrid Corp	156.20	1.60
Reliance Ind	1077.45	-3.00
State Bank	175.50	-11.05
Shree Cement	15783.80	-765.85
Sun Pharma	375.95	32.40
Tata Motors	65.30	-2.65
Tata Steel	253.75	-12.60
TCS	1654.20	-54.55
Tech Mahindra	520.90	9.70
Titan	862.80	-73.25
UltraTech Cement	3041.60	-99.05
UPL	298.10	-7.65
Vedanta	62.80	0.15
Wipro	180.00	-9.50
Zee Entertainment	124.35	3.45

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on April 03

CURRENCY	TT BUY	TT SELL
US Dollar	75.97	76.29
Euro	81.96	82.31
British Pound	93.35	93.76
Japanese Yen (100)	70.04	70.34
Chinese Yuan	10.71	10.76
Swiss Franc	77.74	78.07
Singapore Dollar	52.91	53.14
Canadian Dollar	53.60	53.83
Malaysian Ringgit	17.42	17.54

Source: Indian Bank

IN BRIEF

**RBI needs to monetise deficit, says SBI report**  
NEW DELHI  
At a time when market appetite is low due to COVID-19 pandemic, there is a need to monetise deficit with the Reserve Bank subscribing to the primary issues of dated central government securities, a SBI report has suggested.

# Life turns turtle for MSMEs as lockdown chokes

Transporting men, machines and materials under strict curbs tests the sinews of enterprises located in smaller cities

**MINI TEJASWI BENGALURU**  
The lockdown ordered to stem the spread of COVID-19 has swept over millions of small and medium enterprises in tier-2 and -3 cities and across India like a tsunami.

Moving people and machines to facilitate work-from-home (WFH) options became a daunting task for many, as per industry executives of some mid-tier firms who narrate their harrowing experience.

In some cases, attempts to prove something as 'essential' turned into debates between business owners and local administrators. Consequently, many enterprises and their employees, across places such as Mysore, Hassan, Udupi, Kochi, Pune, Ahmedabad, Surat, Nagpur, Goa, Jaipur, Coimbatore and Salem suffered in terms of lack of businesses continuity and clarity, physical hardship and mental stress.

"It was nightmarish for many companies operating in Coimbatore and Salem. We were running [around]



The CII has urged all enterprises, which are still suffering connectivity or business continuity issues, to reach out to the industry association for assistance. ■ FILE PHOTO

for permissions to move people and computers. We could easily move people and systems between Bengaluru and Chennai, but in Salem, the rules were different. And eventually, we lost several days of productivity and our employees suffered a lot," explained Chocko Valliappa, CEO of IT services firm, Vee Technologies that employs 5,000 people across Bengaluru, Chennai and Salem. The situation was in stark

contrast with the promises of many State governments that vie with each other to attract investments to small cities in their regions.

**Not enough time**  
Certain mid-tier firms are of the opinion that the lockdown came upon them all of a sudden though the government would have been contemplating it at least a few days before its introduction. "Over 300 of our em-

ployees in Bengaluru and Chennai were thrown out of their respective hostels soon after the lockdown. We arranged some stay for them in Salem and tried to bring them to Chennai. But authorities made us send them back," said Mr. Valliappa, whose company supports hospitals in the U.S. and in India by providing clinical documentation services.

Udupi-based Robosoft Technologies, a UX and UI application development and digital advisory firm, too, said small firms had suffered huge disruptions after the lockdown.

COVID-19

Robosoft and its arm, 99Games, together employ 600 people across Mangaluru, Mumbai and Bengaluru.

Rohith Bhat, founder-CEO at the company said, "Fortunately, we anticipated the trouble slightly in advance. Some of our customers in Japan [gently] alerted us; therefore, three days before the first lockdown call, we started moving our men and machines. But we went through a very tough time.

"Had we waited until the complete lockdown announcement, we surely would have faced huge downtime issues like many others."

CII acts

Realising the gravity of the situation, the Confederation of Indian Industry (CII) sprang into action. It met the

respective State governments and industries departments to chalk out ways to ensure business continuity for the entire MSME (micro, small and medium enterprises) community in the country.

"We discussed a wide array of key topics with the Karnataka government and movement of people, material and machines was one of them," said Ramesh Ramadurai, vice chairman, CII-Karnataka.

The CII has urged all enterprises, which are still suffering connectivity or business continuity issues, to reach out to the industry association for assistance.

Pradeep Bhargava, president of Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA) said most IT/ITes firms in Pune were able to shift to WFH mode with relative ease; however, other firms, including manufacturing companies, big and small, struggled as the task involved touchpoints with facilities, staff, vendors and customers.

## RBI halves trading hours for markets

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India (RBI) has reduced market hours between April 7 and April 17 in view of the lockdown.

The call money market, government securities market, currency market, commercial paper market and others that typically open at 9 a.m. and close at 5 p.m. will now be open between 10 a.m. and 2 p.m.

The central bank said the 'unprecedented' situation created by the COVID-19 outbreak has necessitated lockdowns, social distancing and restrictions on movement of people.

"The dislocations have adversely impacted the functioning of financial markets," it said. "To minimise risks and ensure market participants maintain adequate checks and supervisory controls while optimising their resources and ensuring safety of personnel, it has been decided to revise trading hours for various markets," it added.

# Foreign investors sell over ₹1 lakh-cr. securities in a month, for first time in history

But domestic institutions save markets the blushes, buying stocks worth ₹55,595 crore in March and arresting a further plunge

**The Sensex registered its worst monthly fall in more than 11 years, declining 23% in March, the greatest percentage drop since October 2008**

HIGHEST MONTHLY OUTFLOWS		HIGHEST MONTHLY INFLOWS	
Month	Net flows (₹ Cr)	Month	Net flows (₹ Cr)
March, 2020	-118,203	March, 2017	56,261
June, 2013	-44,162	March, 2019	48,751
November, 2016	-39,396	July, 2014	36,046
October, 2018	-38,906	February, 2012	35,228
May, 2018	-29,776	May, 2014	33,778
December, 2016	-27,111	January, 2015	33,688
September, 2018	-21,035	September, 2010	32,668
July, 2013	-18,124	March, 2014	31,663
August, 2015	-17,524	June, 2014	30,705
October, 2008	-17,205	March, 2010	29,438

ASHISH RUKHAIYAR MUMBAI

For the first time in the history of the Indian capital markets, foreign portfolio investors (FPIs) have sold securities worth over ₹1 lakh crore in a single month.

As per data from the National Securities Depository Limited (NSDL), the cumulative net outflow from the debt and equity segments was pegged at ₹1.18 lakh crore in March – more than double the previous high of ₹44,000 crore witnessed in June 2013.

Further, both the equity and debt segments have individually registered new

**Currently, the Sensex is trading over 53% lower than the intraday record high of 42,274 in January**

highs in terms of monthly outflows of ₹61,973 crore and ₹60,376 crore, respectively.

COVID-19 concerns

According to market participants, the ongoing COVID-19 pandemic that has affected stocks worldwide is the primary reason for such record outflows as foreign investors shy away from riskier assets and also, emerging markets.

The global death toll of the pandemic had crossed the 50,000-mark with more than 10 lakh confirmed cases. In India, the last few days have seen a greater rise in the number of new cases thereby adding to investor concerns.

Incidentally, the impact of the record sales by overseas investors has been clearly visible in the stock markets with the benchmark Sensex registering its worst monthly fall in over 11 years. In March, the 30-share barometer lost a little over 23% (23.05% to be precise) which was the highest since October 2008 when it plunged 23.89%.

Currently, the Sensex, which closed at 27,590.95 on Friday after falling 674.36 points, or 2.39%, is trading over 53% lower than its intraday record high of 42,273.87 touched in January.

Interestingly, buying by domestic institutional investors (DIIs), which include banks, insurance companies, mutual funds and domestic financial institutions, has been acting as a strong counter force to the selling by foreign investors.

As per BSE data, March also saw the highest-ever monthly net purchases by DIIs who bought equities worth ₹55,595.18 crore. This

was again double that of the previous high of ₹26,033.9 crore registered in October 2018.

In the current calendar year, while FPIs have sold equities worth ₹51,832 crore – they were net buyers in January and February – DIIs have bought shares worth ₹74,554 crore.

Meanwhile, the voluntary retention route, or VRR, in debt securities, which was opened up for FPI investments in January, has seen an inflow of ₹4,165 crore in March while hybrid securities saw a marginal outflow of ₹19 crore, according to NSDL data.

# Rice exports halted on supply chain disruption due to virus

Thailand seizes opportunity, inflates global prices

REUTERS MUMBAI/NEW DELHI

Indian rice traders have stopped signing new export contracts amid the nationwide lockdown to curb the spread of COVID-19, as labour shortages and logistics disruptions have hampered the delivery of even existing contracts, industry officials said.

The halt in exports from the world's biggest exporter is allowing rival countries such as Thailand to raise shipments in the short term and lift global prices, forcing millions of poor consumers in Africa to pay high prices.

"Shipments have stalled as transport has become very difficult because of the lockdown. Drivers are not coming and labour is not available at mills and ports,"



said B.V. Krishna Rao, president of the Rice Exporters Association (REA).

Indian traders have stopped offering quotes to overseas buyers as they are not sure when they would be able to ship their cargoes, four top exporters told Reuters.

India's export volumes have fallen by four to five times, said Prem Garg, chairman of the Lal Mahal Group, which exports rice to more

than 44 countries. About 400,000 tonnes of non-basmati rice and 1,00,000 tonnes of basmati rice, meant for March-April delivery, are either stuck at ports or in the pipeline due to the lockdown, exporters said. New Delhi mainly exports non-basmati rice to Bangladesh, Nepal, Benin and Senegal, and premium basmati rice to Iran, Saudi Arabia and Iraq. As Cambodia, Vietnam and Myanmar curbed their rice exports, demand for Indian rice surged, but traders are not signing new contracts, said Nitin Gupta, vice-president of trader Olam India's rice business.

Thailand, the only key exporter to offer rice currently, has seen its export prices soar to their highest in seven years this week.

# Brent surges past \$33 on output deal hope

OPEC, allies working on unprecedented 10% reduction in global oil production

REUTERS LONDON

Benchmark Brent crude oil futures climbed to as high as \$34.91 a barrel on Friday on rising hopes of a new global deal to cut global crude supply.

Brent crude futures were up 12.9%, or \$3.9, at \$33.83 a barrel by 6.51 p.m. IST. Brent soared as much as 47% on Thursday for its highest intraday percentage gain on record. It had closed up 21%.

U.S. West Texas Intermediate (WTI) crude rose 8.8%, or \$2.23, to \$27.55 after jumping 24.7% on Thursday.

OPEC and its allies are working on a deal for an unprecedented production cut of about 10% of global supply, an OPEC source said.

Oil prices slumped 65% in the first quarter on a demand slump caused by the global COVID-19 outbreak and moves by Russia and



**Slick move:** A meeting of OPEC+ countries is scheduled for Monday to discuss production cuts. ■ REUTERS

Saudi Arabia to flood the market after their failure last month to extend much smaller OPEC+ supply cuts.

OPEC+ to meet

A meeting of the Organization of the Petroleum Exporting Countries and allies such as Russia, a grouping known as OPEC+, has been scheduled for Monday, the

to 15 million barrels per day (bpd) out of total global supply of about 100 million bpd.

Mr. Trump said he did not make any concessions, such as agreeing to a U.S. production cut – a move forbidden by U.S. anti-trust legislation.

Trump-Putin meet

Both Mr. Trump and Mr. Putin are due to meet with their respective country's top oil producers on Friday.

Russia and Saudi Arabia both belong to OPEC+, but the United States does not.

"It does appear that momentum is growing for some form of output agreement," said analyst Harlan Matthews at Redburn Energy.

"(But) there are huge obstacles to any output agreement on this scale, and even if it were to be implemented the market would remain chronically oversupplied in the near term."

# Third TLTRO for ₹25,000 cr. on April 7

PRESS TRUST OF INDIA MUMBAI

To ensure adequate liquidity in the system, especially in the corporate bond market, the Reserve Bank of India (RBI) on Friday announced the third targeted long-term repo operation (TLTRO) on April 7 for ₹25,000 crore.

The central bank announced the TLTROs on February 6 and has pumped in ₹1 lakh crore since then. The TLTRO was announced on March 27. It has so far done two tranches worth ₹50,000 crore and the initial target is ₹1 lakh crore.

The second tranche was conducted for ₹25,000 crore on Friday.

The new issue coming up on April 7 is for a three-year tenor, the central bank said.

# M&M drops plan to fund Korean arm

SPECIAL CORRESPONDENT MUMBAI

The board of Mahindra & Mahindra Ltd. on Friday rejected a proposal to infuse any fresh equity in SsangYong Motor Company (SYMC) to help the Korean auto company tide over a difficult phase.

M&M's board of directors held a special meeting to review investment in SYMC and to discuss capital allocation in the light of the COVID-19 impact. The management and labour union of SsangYong had requested fresh injection of equity from M&M to help the company fund 500 billion KRW (\$406 million) of requirements over the next three years.

# Skies clearing for airlines

Some international carriers gear up for limited operations

LALATENDU MISHRA MUMBAI

The dark shadow cast by the COVID-19 pandemic on the global aviation industry seems to be gradually wearing away, with some international carriers gearing up either to start limited operations to select destinations to ferry stranded passengers or to commence regular schedules.

While Emirates has announced resumption of flights from its Dubai hub to London Heathrow, Frankfurt, Paris, Zurich and Brussels effective April 6, 2020, to carry only outbound passengers from UAE, Etihad Airways, from April 5, 2020, will operate a regular service starting with Seoul Incheon, followed by Melbourne,



Singapore, Manila, Bangkok, Jakarta and Amsterdam.

"These destinations are subject to government approvals," the carrier said.

"To date, these services have covered a number of destinations, including the U.S., Australia, and Sri Lanka. Etihad will continue to offer such services," it said. Emirates said it would operate four flights a week to London Heathrow, and three

flights a week to Frankfurt, Zurich, Brussels and Paris.

Sheikh Ahmed bin Saeed Al Maktoum, chairman and CEO, Emirates Airline and Group said, "These initial passenger services, although limited to travellers who meet the entry requirements set by the destination countries, will be welcomed by our customers seeking to return home to their countries and families."

"Our network can only be restored with the easing of travel restrictions," he said. Singapore Airlines resumed limited flights to London, Frankfurt and Zurich. In April, a dozen flights each way will be operated to each of these destinations. Now it is operating flights to Los Angeles, Seoul and Sydney.

# TAFE gesture to farmers of U.P., Rajasthan

SPECIAL CORRESPONDENT CHENNAI

Tractors and Farm Equipment Ltd. (TAFE) has unveiled a free tractor rental scheme for small and marginal farmers of Rajasthan and Uttar Pradesh for a period of 90 days from April 1 as they are facing distress following the COVID-19 pandemic.

The scheme will be available across 20 districts of Rajasthan and 25 districts of Uttar Pradesh, said Mallika Srinivasan, CMD, TAFE.

On offer are 11,000 Massey Ferguson and Eicher tractors along with 50,000 implements in Rajasthan and 3,000 tractors and 15,000 implements in U.P.

# Bajaj Auto March sales drop 38%

Two-wheeler exports climb 9%; domestic CV sales fall 53%

SPECIAL CORRESPONDENT MUMBAI

Bajaj Auto Ltd. has reported a 38% decline in sales of two-wheelers and commercial vehicles at 2,42,575 units for March 2020 compared with 3,93,351 units sold in the same period last year. The lockdown due to COVID-19 spread had impacted sales.

Two-wheeler sales in the domestic market were down 55% at 98,412 units as compared with 2,20,213 units sold in the same period last year. However, the company exported more two-wheelers during this month at 1,12,564 units against 1,03,325 units in the same period last year, up 9%.

Including domestic and exports, two wheeler sales were down 35% at 2,10,976



**Braking hard:** For FY20, the company saw an 8% decline in total unit sales to 46,15,212. ■ REPRESENTATIONAL PHOTO

units against 3,23,538 units sold in the same period last year. Domestic commercial vehicle (CV) sales were down 53% at 18,129 units as compared to 38,972 units sold in the same period last year. CV exports were down 56% at 13,470 units as compared to 30,841 units sold in

the same period last year. In total, CV sales were down 55% at 31,599 units as compared to 69,813 units sold in the year-earlier period last year. For FY20, the firm sold a total of 46,15,212 units compared to 50,19,503 units sold in the previous year, a decline of 8%.