



# MONEY MANTRA

Monthly Finance Newsletter



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## MUTUAL FUND PERFORMANCE

- by Josna Joseph

SCHEMES	RETURNS (%)			DATE OF LAUNCH	AUM (₹ Cr.) (Oct-Dec 2019)	EXPENSE RATIO (%)	EXIT LOAD (%)	PORTFOLIO BETA	NAV (₹ PER UNIT)
	6 Months	1 Year	3 Year						
<b>LARGE CAP EQUITY SCHEMES</b>									
AXIS Bluechip Fund Direct Plan-Growth	-10.57	-5.00	9.28	2 <sup>nd</sup> January, 2013	9,120.49	0.63	1.0	0.85	30.70
Canara Robeco Bluechip Equity Fund Direct Plan Growth	-7.68	-2.78	6.77	2 <sup>nd</sup> January, 2013	264.70	1.2	1.0	0.92	26.55
<b>MID CAP EQUITY SCHEMES</b>									
AXIS Mid Cap Fund Direct Plan Growth	-6.20	0.30	9.85	2 <sup>nd</sup> January, 2013	3,669.53	0.61	1.0	0.67	40.25
Invesco India Mid Cap Fund Direct Plan Growth	-7.25	-6.18	3.58	2 <sup>nd</sup> January, 2013	622.91	1.19	1.0	0.70	51.03
<b>SMALL CAP EQUITY SCHEMES</b>									
AXIS Small Cap Fund Direct Plan Growth	-13.07	-6.80	4.31	29 <sup>th</sup> November, 2013	1276.67	0.39	1.0	0.46	29.12

### DISCLAIMER:

THE RECOMMENDATIONS AND REVIEWS DO NOT GUARANTEE FUND PERFORMANCE, NOR SHOULD THEY BE VIEWED AS AN ASSESSMENT OF ANY FUNDS. MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS.

## MARKET PERFORMANCE

by Alphy Sunny

INDICATOR	1-May-20	31-May-20	% CHANGE
BSE Sensex	33717.62	32424.1	-0.038363325
BSE Mid Cap	11502.59	11843.22	0.029613331
BSE Auto	1334.86	14094.69	9.558927528
BSE Bankex	24724.52	22135.67	-0.104707796
BSE Healthcare	15332.39	15646.4	0.020480173
BSE IT	14235.04	32424.1	1.277766694
BSE Oil & Gas	12066.36	11835.97	-0.019093579
BSE Power	1490.51	1481.53	-0.006024783
BSE Metal	6745.97	6805.26	0.008788951
BSE Realty	1450.37	1411.46	-0.026827637
BSE Telecom	1133.68	1261.08	0.11237739
BSE Exchange Rate (USDINR)	75.85	75.475	-0.004943968

## Economic Highlights

-by Alphy Sunny

**Agriculture:**

• Locust, oldest migratory pests attacked Rajasthan, Gujarat, Madhya Pradesh & Maharashtra. No impact on Rabi crops. Trying to curb the locust spread before monsoon as the swarm’s breed will pose a threat to the Kharif crops.



**Finance:**

- The central government to consider the reserve bank of India (RBI) to monetize the deficit in the second half of the financial year.
- Consumer companies seek help to push sales by cutting GST.
- Exports will improve from a 60% decline to 30% in May and will further enhance.

Aiming to strengthen the domestic players by initiating and anti-dumping probe into imports from China, Indonesia, Nepal and Vietnam of polyester yarn.

• The CPI rate was 5.84% as per the latest data and curtailed CPI data released to confirm the expectation of a month-on-month increase in food prices led by seasonal and temporary supply disruptions caused by the lockdown.

• Prime minister Narendra Modi announced 20 lakh crore packages claimed as a facilitative legal framework to aid the farmers, small and medium-scale traders, migrant labourers and highlighting ‘self-reliance.’



**Employment rate:**

• According to CMIE, the biggest ever lockdown has left 27 million youth jobless and leaving 12 million into extreme poverty with the latest data showing the rate at 27.11 %, increased by over 20% pre-pandemic rate.

**Crude oil:**

• The U.S. Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) are analysing the exchange-traded crude oil prices, the United States Oil Fund, and investigating the fund’s change of strategy to sign crude oil contracts with longer expiry, to ascertain if the fund has been able to disclose the risk associated with it to the investors.

**Manufacturing index:**

• A mild rise was seen in the manufacturing PMI by month end to 30.8% in May from a lower record set in April of 27.4% as manufacturing activities has been contracted since past month following the lockdown.

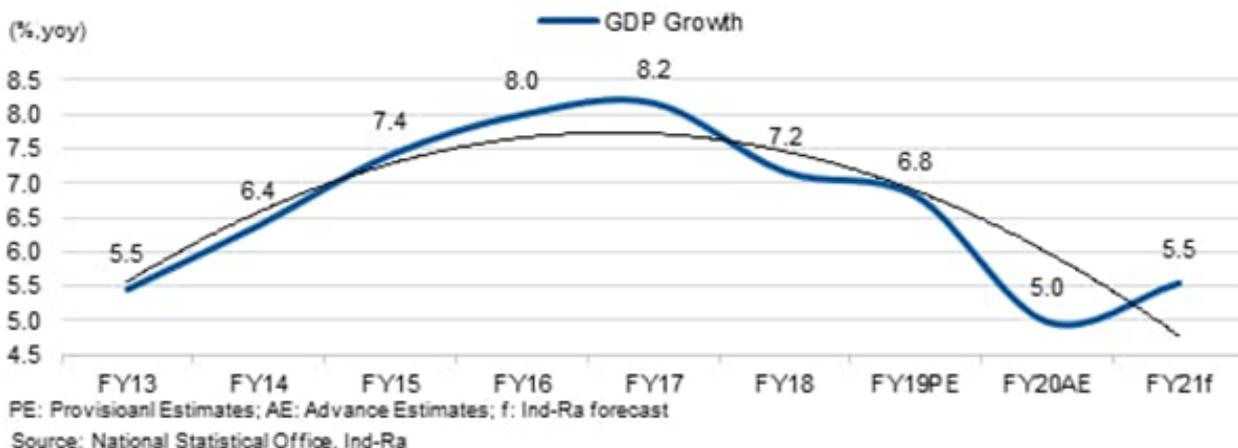
**Foreign exchange:**

• The month of May was one of the worst-performing months for US dollar, and it continues to trade under pressure with risk-on sentiments in global financial markets. This improves as Commodity currencies, and the euro have strengthened against the US dollar as the nation’s lift the lockdown and hoping for a recovery of the economy. This has dented the safe-haven appeal of the dollar and driven traders towards riskier instruments.

## Quarter 4 GDP of FY 2020

- by Albin J Siby

**GDP Growth**



## Quarter 4 GDP of FY 2020

- by Albin J Siby

### HIGHLIGHTS

- CRISIL, India's top credit rating agency has said that India is facing its worst recession and is expected to shrink by 5% in the current fiscal year. This would be the fourth recession in the history of Independent India.
- The first quarter (April to June 2020) will be the worst affected. It will suffer a staggering 25% contraction.
- About 10% of Gross Domestic Product(GDP) in real terms could be permanently lost. So, in the next three fiscals, India is unlikely to see the growth rates seen before the pandemic.
- Agriculture could soften the negative effects this time by growing near its trend rate, assuming a normal monsoon

The GDP growth for Q4 of FY2020 projected a 3.1% growth and showed the status of the Indian economy during the last three months amid the COVID pandemic lockdown. The figures are not expected to be very pleasing due to the steep slide in growth due to the lockdown as one single week of lost production pulled March IIP down by a massive 16.7%. ICRA has estimated that the Indian economy will grow only by 1.9% in the January-March period, whereas it projects a growth rate of 4.3% for the entire fiscal (FY2019-20). This is in stark contrast to a growth of 6.1 per cent registered in FY19. Similarly, CRISIL has forecasted a mere 0.5% economic growth for January-March quarter whereas it estimates a 4% growth for FY20. Even though CRISIL says that the economy is going to shrink by 5% in the current fiscal year, former RBI Governor Duvvuri Subbarao commented that the GDP may probably expand about 5% in the next FY because COVID-19 is not a natural disaster. The factories are still working and the infrastructure and transport systems are still there, implying that GDP growth could strengthen in the latter half of the current FY. Meanwhile, economists and experts assert that the Indian economy would contract or, at best, register zero growth.

The GDP data which was released on 29th May showed that there was decline in the economy to 3.1% in January- March quarter which is because of Covid-19 pandemic. India's economic growth was at 4.1 percentage during October-December i.e. Q3 of 2019-2020. The Q2 and Q1 numbers stands at 4.4% and 5.2% respectively.

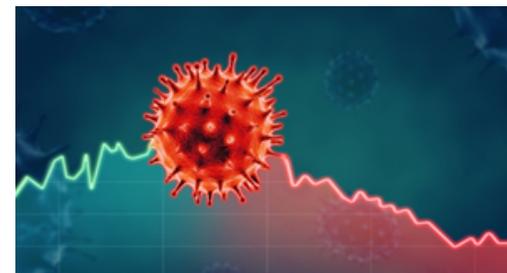
It's expected that the full impact of the lockdown on manufacturing and other services could be seen in June quarter. However, the monsoon forecast predicted could be beneficial for the farmer and enhance the Agro industry. RBI earlier this month had cut down the policy rates by 40 basis points and has lowered the repo rate by 155 basis points since February.

## Sectors Affected Due To COVID- 19

- by Josna Joseph

### Adverse Effects

- Manufacturing sector and sectors heavily dependent on physical labour such as building and construction businesses are worst affected and migrant labourers are stranded in big cities.
- Tourism and Aviation Sectors have also taken a deep hit as the outbreak has led to domestic carriers cancelling their flights from various locations and temporarily suspending operations.
- Also, sectors such as textiles, chemicals, electronics, IT and solar power are negatively affected due to non-availability of raw materials from china and other parts of the world.
- Automobile sector is also severely hit due to the shutdown in China which has prohibited import of various components affecting both Indian auto manufacturers and auto component industry.
- Media is one of the worst affected sector as advertisement revenues have declined considerably and the print media has lost significantly in circulation.
- Huge impact on transportation sector as buses, autos, cabs, e-rickshaws, etc not allowed to ply. Shipping and railway has also been affected.
- Agriculture also affected as there has been a delay in sowing and harvesting of crops due to unavailability of products such as seeds, tractors, ancillary support and fertilizers.
- Many MSMEs & SMEs to run out of business as revenues to be affected due to a decline in exports.
- Non-food retail and companies manufacturing non-essential items to be affected.
- Defence manufacturing also adversely affected.



## Positive Impacts

- Pharmaceutical companies see a rise in demand for various drugs, sanitizers, face masks and other medical equipment.
- Firms dealing in speciality chemicals will see a jump due to increased demand for disinfectants, drugs and medicines.
- FMCG and Retail Sectors will benefit immensely with continued fear of food scarcity.
- Digital & Internet Economy will flourish due to online based products and services such digital payments and online meeting platforms for businesses, teachers and students, etc.

## Various Schemes Launched By The Government To Combat COVID Crisis

- by Mohit Kumar

Finance minister Nirmala Sitharaman rolled out a scheme, to assist micro meals corporations, farmer producer's businesses, self-help businesses and cooperatives. FM Nirmala Sitharaman urges creditors to ease flow of credit to MSMEs. The 100% assure scheme at a concessional charge of 9.25% for MSMEs underneath the Rs. 3 lakh crore scheme turned into the second one-largest aspect of the Rs. 20 lakh-crore package announced remaining week. Finance Minister Nirmala Sitharaman unveiled the very last tranche of the Rs. 20 lakh crore package to assist India's economy with the aid of the COVID-19 relief schemes. There are diverse unique measures initiated through the Central Government, RBI, Securities & Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDAI) and the sectoral ministries to enhance companies in India.



- **SBI COVID-19 funding scheme-** The State Bank of India has introduced a funding scheme to help small and medium companies to preserve their operations. As in keeping with a piece of writing by using Business Standard, SBI will make additional credit to be had thru Covid-19 Emergency Credit Line (CECL) to its present debtors on an advert-hoc basis
- **Tax filing deadline extension-** The remaining date to file income tax returns for corporations for the financial year 2019-20 has been prolonged from 31st March to 30th June. It is feasible that this cut-off date will similarly be extended to July relying at the issuance of the TDS certificates.
- **SIDBI for startups-** Small Industries Development Bank of India (SIDBI) has identified the operational and monetary demanding situations faced by means of startups throughout the state. It has been making efforts to offer resource to the affected startups through launching a scheme referred to as COVID-19 Startups Assistance Scheme (CSAS).
- **Increase in insolvency threshold for MSMEs-** The Finance Minister has announced an upward thrust within the threshold of default to Rs 1 crore from the existing Rs 1 lakh to save you triggering of insolvency court cases, they'll be watchful of the existing situation and could take into account postponing Section 7, nine and 10 of the Insolvency and Bankruptcy Code in the coming days.
- **Atal Bimit Vyakti Kalyan Yojana scheme-** The people who have lost their employment can be granted compensation in the form of coins deposited of their financial institution debts for three months from the time of unemployment. Only individuals who've subscribed to Employees State Insurance (ESI) scheme may be part of this.
- **MSME Ideas Portal-** The concept in the back of this is to facilitate project capital inventors to hook up with corporations. This portal will also act as a primary repository to discover the schemes provided by way of the critical and the nation authorities to the developing MSMEs all through these times of a plague.

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**REFERENCES:** MONEY CONTROL, ECONOMIC TIMES, LIVE MINT, FINANCIAL EXPRESS.

