

MONEY MANTRA

Monthly Finance Newsletter



MARKET PERFORMANCE

By Anu M Lawrance

Indicators	01-07-2020	31-Jul-20	Percentage change
BSE SENSEX	35,414.45	37,606.89	6.19%
BSE MIDCAP	13,078.46	13,759.11	5.20%
BSE Auto	15,254.50	16,489.64	8.10%
BSE Bankex	24,661.29	24,599.48	-0.25%
BSE Health Care	17,775.76	18,284.76	2.86%
BSE IT (Small Cap)	12,946.92	13,021.76	0.58%
BSE Oil and Gas	13,339.51	13,174.29	-1.24%
BSE Power	1,537.75	1,538.93	0.08%
BSE Metal	7,773.36	7,825.67	0.67%
BSE Realty	1,555.16	1,575.68	1.32%
BSE Telecom	1,268.66	1,275.79	0.56%
BSE Exchange rate (USDINR)	75.225	74.81	-0.55%

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ECONOMY UPDATES

by Anu M Lawrence

Agriculture:

- Banks have sanctioned Rs. 89,810 Crore to about Rs. 1.1 Crore Kisan Credit Card (KCC) holders to assist farmers to meet finances for Kharif planting and sowing activities. The government had approved Rs. 2 Lakh Crore of concessional credit through Kisan Credit Card (KCC) holder to Rs. 2.5 Crore farmers, including fishermen and people involved in animal husbandry.
- National Bank for agriculture and rural development (NABARD) had approved Rs.795 Crore for rebuilding infrastructure damaged by Amphan Cyclone that seized West Bengal.

Finance

- Top seven (CPSE) combined their capital expenditure stands at Rs.24,663 crore for the current fiscal year. Finance Minister Nirmala Sitharaman nudged the (CPSEs) to accelerate their capital expenditure and to ensure that half of their spending is outlaid by the Q2 of FY20-21.
- The Union ministry of power may raise the loan amount to Rs. 1.25 trillion under the Atmanirbhar Package for power distribution companies.
- Government has further extended work from home norms for IT & BPOs companies up to 31st December 2020 to encourage work from home because of ongoing pandemic situation.
- Reliance Industries Limited (RIL) become First Indian Company crossed their market capitalization with Rs.13 Lakh Crore and their share price stood up 2.82%.
- The Direct Tax Refund fell 16% of Rs.64,428 Crore in Q1FY20, as compared to Rs. 76,575 Crore at the end of June 2019.
- Primary Equity & Venture Capital Fundraising declines by 94% in Q1, due to the impact of the pandemic & its collateral effects over the ability of limited partners (LPs) to diligence on general partners (GPs).

Foreign exchange

- India's forex reserves swelled \$3.1 billion to record high of \$516.362 billion.
- Foreign Trade Decline in gold & silver imports have helped in narrowing the country's trade imbalance,
- The differences among imports and exports, to USD 9.12 billion during April-June 2020-21 against USD 45.96 billion within the year-prior period.

Crude Oil

- India's oil import fall by 0.4 percent from May and about 28.5 percent from a year ago. Since 2009 this happened for the first time, India did not import oil from Venezuela.

MUTUAL FUND SCHEMES TO INVEST (Performance as on 30 th JUNE, 2020)									
SCHEMES	RETURNS (%)			DATE OF LAUNCH	AUM (₹ Cr.)	EXPENSE RATIO (%)	EXIT LOAD (%)	PORTFOLIO BETA	NAV (₹ PER UNIT)
	6 Months	1 Year	3 Year						
LARGE CAP EQUITY SCHEMES									
Axis Bluechip-G	1.64	10.07	8.89	2 nd January, 2013	12702.54	1.70	1.0	0.8	33.2
Canara Robeco Bluechip Equity Direct-G	-2.69	11.11	8.73	2 nd January, 2013	433.82	1.03	1.0	0.77	28.90
MID CAP EQUITY SCHEMES									
Axis Midcap Direct-G	2.73	21.95	9.89	2 nd January, 2013	5069.80	0.55	1.0	0.73	42.59
Invesco India Mid Cap Direct-G	1.83	16.22	5.32	2 nd January,2013	739.23	0.99	1.0	1.0	55.16
SMALL CAP EQUITY SCHEM									
SBI Small Cap Direct-G	-2.18	17.74	4.30	29 th November, 2013	3336.17	0.89	1.0	0.77	55.12

Mutual Funds Performance

by Rosh George

Disclaimer- The recommendations and reviews do not guarantee fund performance, nor should they be viewed as an assessment of any fund's. Mutual fund investments are subject to market risks.

MARKET SCENARIO

by Reneera Joseph

Market continued its euphoric mood rally through less participation after broader indices. It is well observed that proportion of shares moving in tandem with Nifty50 is far lesser than what was observed in prior few weeks. The initial corporate figures are being cheered but a good part of Q1 outcome which is yet to derive may not portray a promising picture. IT, FMCG and financial services as well as banks have given a prior indication that All Is Well! But nonetheless COVID-19 in itself was *raison d'être*. IT firms be able to trim their operating costs, banking businesses were provided leeway by RBI for delay in NPA categorization whereas financial services witnessed persons staying indoors managing digitally to procure insurance policies for their loved ones, along with a different type of trading and investing. But this possibly will not stay for long. When ground reality catches up and life after COVID-19 pandemic turn out to be the new normal, the exceptional improvements that are being cheered by the street currently will down sheen.

FPIs too have been allocated to be the part of the FOMO rally. They have subscribed Indian equities value around Rs. 5,413 Crs. Since start from March's fall, it remained seen that FPIs have sold aggressively in the month of April, May and June except their contribution in Kotak's QIP, RIL's rights issue, HUL's and Bharti Airtel's and other stake sales which were not buying from secondary market. Though, this is the first time since then, that they have accepted aggressively to this tune straight from the secondary market. In history, it is observed that FPIs aggressively purchase at tops and sold at bottoms.

Market highlights

Debt Market: Although 2020 started on a rather unpromising note for fixed income markets with continued credit freeze post ILFS defaulting, with a hawkish Fed, concerns on break of fiscal deficit and slowing growth, the year turned out to be boundless for fixed income investors with interest rates falling consistently during the year, rendering debt fund investors a somewhat happy.

Equity Market: The 2020 narrative moved from global concerns to India election and eventually cyclical go-slow in the domestic economy in CY20. In the background of moderating economic environment, headline indices witnessed different returns trend. While the BSE Sensex and Nifty indices were up 12% and 10% CY20, BSE Midcap and BSE Small cap indices were down 5% and 10% respectively.

EXPECTATION FOR THE MONTH

by Reneera Joseph

As markets stroll together with the result season, they are continuously discounting surprises in outcomes, if any, besides the discounting comments from the managing on permanent impact on businesses. At least from a rhetoric point of view pressures are highly everyday between US and China and India too is taking actions against Chinese business benefits by overhauling inside policies to benefit domestic counterparts. Apparently, the whole world is virtually orchestrating policies against China by rummaging anti-dumping duty, imposing sanctions, incentivizing to move out from China and so on. It looks that global peace is nearing its all-time lows and equity too cannot thrive in such times. Investors are directed to be patient and wait for a deeper rectification.

AMIDST OF PANDEMIC JIO EMERGING AS THE TELECOM GIANT

by Sruthi Suresh

Amidst of the pandemic situation, Jio telecom's net profit saw a 3 fold growth. Its revenue from operations came in at Rs. 16557 crore in the April-June period which was 33.71% compared to the year ago period. While the competitors are struggling to survive, Jio's triumph is somewhat unbelievable. Covid 19 and the nationwide lockdown has almost effected all the sectors of the economy. Industries and other work space remained shut due the fear of community spread of Covid 19. Many companies were permanently shut due to negative revenues and growing debts. Most of the people started working from home. Educational institutions decided to take classes online. This was an opportunity for the telecom company. Jio identified it rightly and got the 1st mover advantage. It offered various data plans to its customer at lower prices.

In India, Ambani has always shown the willingness to bet big on emerging technology. Jio was the early adopter of voice-over-LTE, which is more efficient than traditional network.

Last year, Jio received \$5.7 billion as investments from Facebook and money from private equity firms Silver Lake, Vista Equity Partners, General Atlantic and KKR&Co. Inc. This year, UAE Sovereign wealth fund Mubadala has invested \$1.2 in Jio. Investors have full confidence on the company and its shares.

Reliance Jio's total customer base grew to 39.83 crore as of June 30, 2020, from 38.75 crore at the end of the previous quarter. The average revenue per user rose to Rs. 140.3 per month from 130.6 per month in the previous quarter. All these shows that there is no significant on the financial position and performance of the company.

Ambani's aim is to make JIO, a telecom giant which provided all the possible services. Last year, it became India's No. 1 carrier by the number of users. Meanwhile, its rival Vodafone Idea Ltd has been warned that it may not survive with \$4 billion in overdue levies and interest to government.

About us: Christ Financial Analysis Cell(C-FAC) is established with a purpose to enable the students to translate the classroom learning into the real time financial and market analysis and investment decisions. The analyses the capital market daily , based on news related to economy, business, politics, interactional trade and business etc. And forecast the market movement for the next day and week. Based on their analysis the cell prepares and publishes a report named "Money Mantra". In this report they also recommend the stocks for investment and trade. The cell also gives these advisory services to the students of the other domain, faculty, and the staff on the investment financial planning decisions.

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References: Money Control, Equity Master, Business Standard, Live Mint, Bloomberg Quint, Investing.com, RBI, Crisil, AMFI