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INDEX

- BSE 38127
- NSE 11305.05
- NASDAQ 8,057.04
- DOWJONES 26,816.59

CURRENCY

- INR/USD ₹ 70.95
- INR/GBP ₹ 85.53
- INR/YEN ₹ 0.67
- INR/EURO ₹ 79.29

Latest By OCTOBER 11th, 2019

TOP GAINERS

Security	PREV. CLOSE	TRADING PRICE	GAIN
Cipla	422.15	441.35	4.55%
Vedanta	141.15	147.05	4.18%

TOP LOSERS

Security	PREV. CLOSE	TRADING PRICE	LOSE
Yes Bank	40.95	39.60	-3.30%
IOC	148.20	143.40	-3.24%

Top market news

- Oil price surges 3% on supply worries after Iranian tanker hit by double blast off Saudi Arabia.
- Cipla rebounds more than 4% as management clarified on goa unit inspection, saying there are no data integrity and repeat observations.
- Indian Terrain Fashions stock up 6% after a rating upgrade by “ICRA A-“with stable outlook and a short-term rating of “ICRA A2+” to Rs60cr LOC (lines of credit).
- Bandhan bank surges 20% intraday amid reports that the stock could be added to the MSCI Index in coming week.
- TCS reported a 1% sequential decline in the September quarter profit at 8042cr against 8131cr. The growth was impacted by increased volatility in financial services.
- Tata Motors slips 3% after global wholesale numbers dip 27% in September.

Some time back, Yes Bank was the 4th largest private sector bank of India and its share price was around Rs350 per share but due to some of the issues and unethical practices its share price is trading at Rs38 and touched all time low of Rs32 ,a week back much below than its Initial public offering Rs45. What leads this drastic fall in share price is a question to pounder upon?

RBI denies Mr. Rana Kapoor to continue with his position of CEO in yes bank; this decision questions the management of yes bank. Apart from this shares pledged by Rana kapoor is also not a good sign for the yes bank and he also tried to hide this information from the public. These shares are sold recently a week back in the market and due to increased supply of shares in the market its share price touched the bottom level of Rs32.

Another reason was poor performance and drastic decrease in the quarterly profit. It posted 1179cr of profit in Q42018 and 1507cr loss in Q4 2019 this huge change from profit to loss was due to provision made for bad debt. And release of statement by yes bank that these provisions can further rise which made investors panicked about the future of yes bank so they started selling the shares of yes bank.

KYA...KYU...KAISE...

What. Why. How.

SBI rate cuts

The State Bank of India (SBI) on Thursday announced cuts in both the lending and deposit rate. Lending rate is the rate at which commercial banks lends to customers. Deposit rate is the rate of interest that you get on your savings bank and fixed deposits with the bank.

Tenor-wise MCLRs effective from 10th October, 2019 will be as mentioned below:

Tenor	Existing MCLR (In %)	Revised MCLR (In %)
Six Month	8	7.9
One Year	8.15	8.05
Two Years	8.25	8.15
Three Years	8.35	8.25

On the flip-side however, SBI announced a further cut in fixed deposit interest rates. The bank has slashed the retail FD rates by 20-25 bps across all tenors. For bulk depositors, the FD rates have been cut by 10 to 20 bps across tenors. Saving banks rate was cut to 3.25% from 3.5%.

Why this decision?

SBI's decision to cut both the lending and deposit rates may nudge people to borrow more and spend more at a time when the economy is facing a consumption slowdown.

Impact on Home loan: - A cut in MCLR would mean that fresh loans from SBI would now be available at a lower interest rate. However, the existing floating rate home loan customers of the bank will have to wait for their reset period.

Impact on Deposits: - The decision to cut the savings deposit rate come as a big dampener to conservative investors who put their money in bank FDs. The bank has, however, only reduced the rates for small term deposits of less than 2 years, which experts say could be aimed at encouraging consumption in the economy instead of people just keeping money in the bank.

However, Banks have almost always moved in tandem on savings deposit rates. SBI's move to trim rates on its low-value savings deposits to 3.25 per cent is likely to trigger another spate of cuts across banks, given the imminent pressure on their margins owing to repo-linked loans.

KUCH AASAAN SI BAATEIN....

EXECUTION- When an order to buy or sell has been completed, the trader has executed the transaction. If you put in an order to sell 100 shares, this means that all 100 shares have been sold.

DAY TRADING– The practice of buying and selling within the same trading day, before the close of the markets on that day, is called day trading.

BOURSE - This stock market term is a little murky. Technically, it's just another name for the stock market and originates from a house in which wealthy men gathered to trade shares.

Sunno Sunno!!!

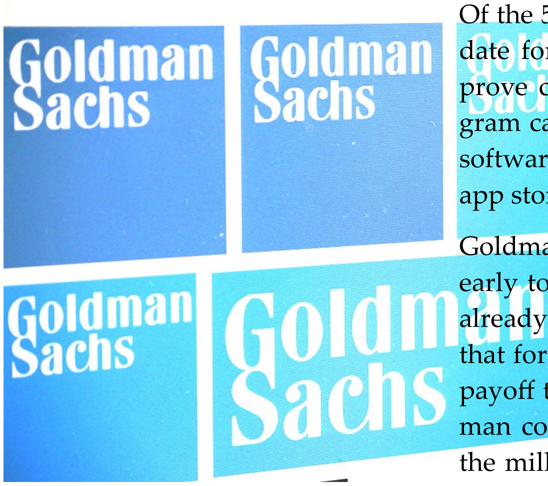
WHY ITS CALLED NIFFTY 50

The value of the NIFTY is a single numerical representation for 50 of its Index constituents. It measures and tracks the stock movement of 50 index constituents known as the Nifty Index stocks. These NIFTY 50 are highly liquid and come from different sectors of the Indian economy and collectively form the NIFTY.

Goldman Sachs Crowdsourcing – An interesting affair

Goldman Sachs, the leading global game changer firm of the Silicon Valley, is turning to what it considers fertile ground for the next billion dollar business by the ideas of their own employees. What happened Earlier this year is, that 500 teams of workers pitched the bank on potential start-ups and gave their ideas and report. The lure for participants was simple: Survive the rigorous six-month culling process, and winners can ditch their day jobs to run a new company backed by Goldman. Isn't this a great opportunity and interesting aspect of the business that we do not see every day?

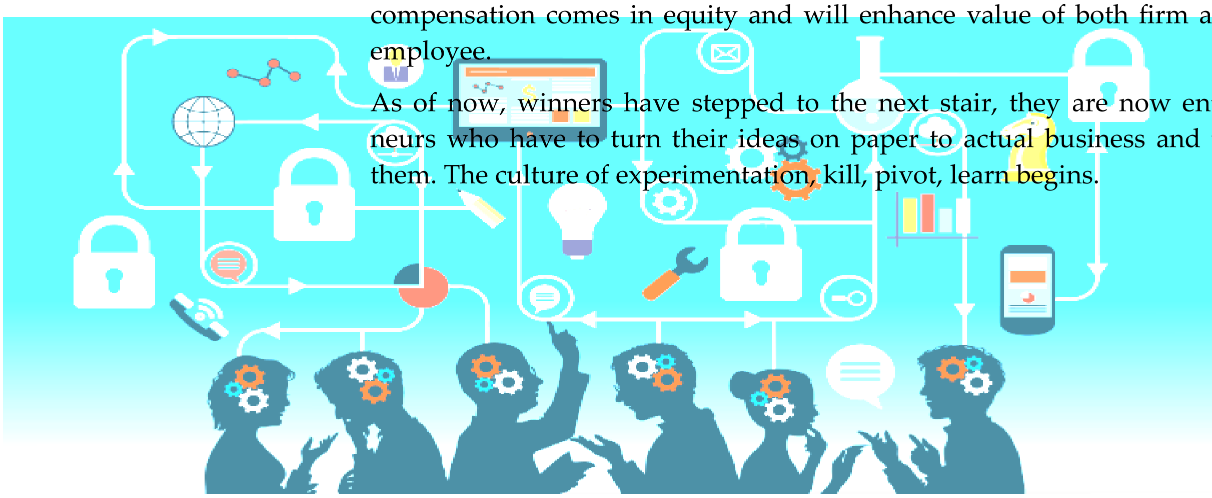
The prospect behind this is sign of an industry in the throes of change. Goldman Sachs, one of the most active banks in the venture capital world hits a bull's-eye, they didn't want to ignore the potential of its 36,000 employees, some of whom depart every year to start their own businesses nor they want to miss an opportunity to create something significant without investing hefty resources for research and idea building. It was also huge juncture to the employees which can be screened as an added incentives and future opportunity.



Of the 500 submissions from March, five were selected for funding. The mandate for businesses was to generate new revenue, create efficiencies or improve client experiences as per their idea. Winning projects include, a program called PinACL i.e. a key component of banking cyber security efforts, a software platform for the alternative investment industry called Scribe and an app store for user-generated programs called Panorama.

Goldman's start-up factory has created about 12 businesses so far, and it's not early to say that many will truly take off. An idea from an earlier round has already started to generate revenue according to a source. One could argue that for a Goldman employee with a truly great idea, there might be a bigger payoff to create it outside the bank but that would come up with risks. Goldman continues to pay Accelerate members their salaries which can reach in the millions of dollars for managing directors while at start-ups, most of the compensation comes in equity and will enhance value of both firm and the employee.

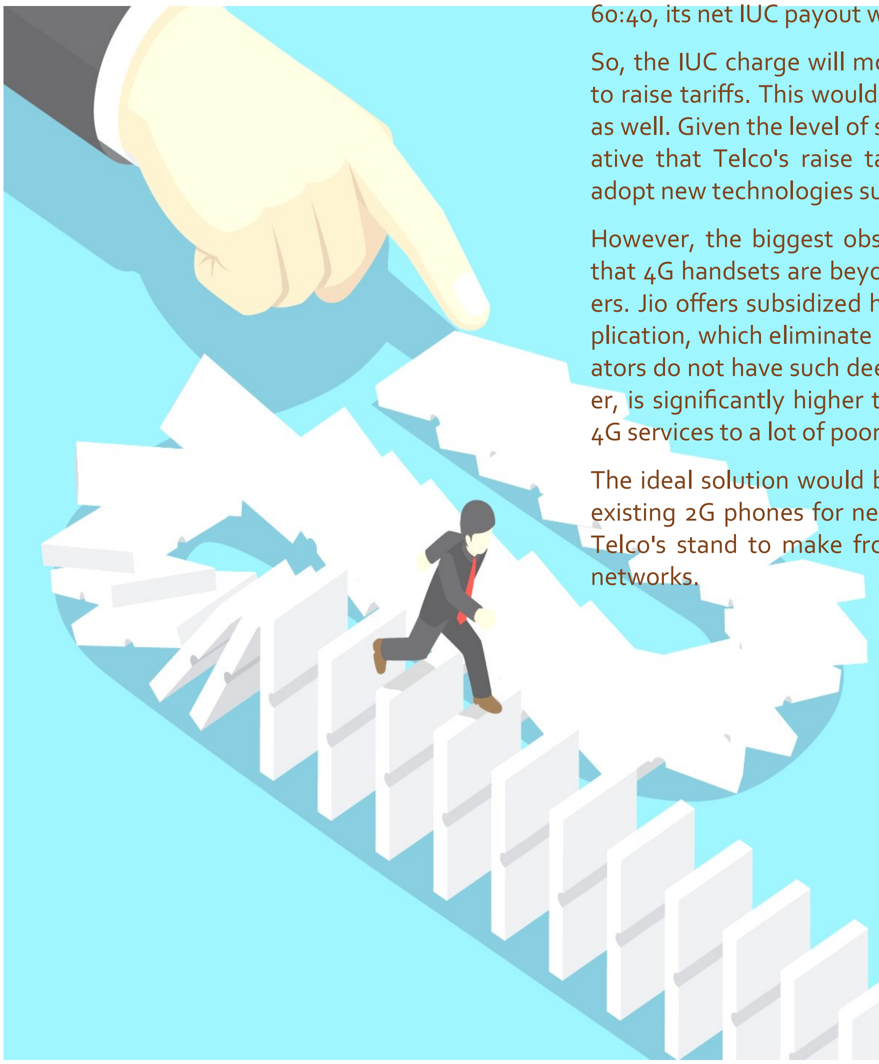
As of now, winners have stepped to the next stair, they are now entrepreneurs who have to turn their ideas on paper to actual business and unfold them. The culture of experimentation, kill, pivot, learn begins.



Shabdh-Kosh

Abandonment value

The value of a project if the project's assets were sold externally; or alternatively, its opportunity value if the assets were employed elsewhere in the firm.



Reliance Jio, which had disrupted Indian telecom with its 'free' voice call offer on its all-data 4G network in 2016 and plunged the sector into a financial tailspin, has called quits on this race to the bottom. It will now charge its subscribers 6 paisa per minute for voice calls to other Telco's, to pay, it claims, for the interconnect usage charge (IUC) it has to pay rival operators for terminating Jio calls on their networks.

The claim is disingenuous: when it launched its 'free' voice service, the IUC was 14 paisa per minute. Further, since Jio receives 6 paisa per minute on calls originating from rival operators to its own subscribers, its net IUC outgo would be lower: if its ratio between outgoing and incoming calls is 60:40, its net IUC payout would be 2 paisa per minute.

So, the IUC charge will more than offset its IUC outgo, signaling a desire to raise tariffs. This would be healthy for Bharti Airtel and Vodafone-Idea as well. Given the level of stress in the Indian telecom industry, it is imperative that Telco's raise tariffs to keep investing in their networks and adopt new technologies such as 5G.

However, the biggest obstacles to India switching off its 2G network is that 4G handsets are beyond the reach of a large number of 2G subscribers. Jio offers subsidized handsets capable of running voice as a data application, which eliminate expensive circuit-switched 2G calls. Other operators do not have such deep pockets. Jio's minimum subscription, however, is significantly higher than that of its rivals'. The net result is to deny 4G services to a lot of poor subscribers.

The ideal solution would be for a large financing company to to swap all existing 2G phones for new 4G ones, in return for a share of the savings Telco's stand to make from switching off 2G and migrating to all-data networks.

HISSAB KITAAB!

Taxation of Digital Titans: New Dawn

The proposal by the Organization for Economic Cooperation and Development (OECD) to overhaul tax rules to make the world's digital giants pay their fair share of tax —and in those markets where they make profits — is welcome. It is to be presented to G20 finance ministers next week.

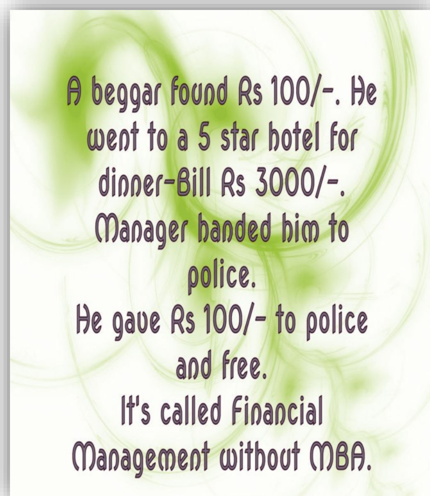
Although additional revenues may not accrue immediately, the OECD's proposed nexus rule would benefit countries like India in the long run.

It would also boost the concerted global move towards ending base erosion and profit shifting. The very fact that taxation is local while the conduct of business is global leaves scope for arbitrage. Taxation, too, must become global and profits assigned to each jurisdiction in proportion with its contribution to the generation of those profits. The current OECD move is a step in that direction.

The proposed new profit allocation rules too are logical. The first step would be to determine the MNC group's actual profits. The next step is to compute the group's routine profits in a country based on existing arm's-length principles, as if the transaction is with an unrelated company. If total profits exceed the sum of such nationally attributable profits, the question is how to allocate the balance amount of non-routine profit.

Here, due weight would have to be given to trade intangibles and where these were generated. Variables such as sales would determine how much of the non-routine profit would accrue to an eligible market jurisdiction such as India. Rightly, OECD has also proposed legally binding and effective dispute prevention and resolution mechanisms to resolve disputes between a country and the taxpayer.

India now charges a levy on online advertising payments to foreign entities without a permanent establishment (PE) here, the so-called equalization levy. Countries such as France and the UK levy domestic digital sales taxes, but at a lower rate than India's levy. A global consensus would obviate the need for countries to take unilateral measures on taxation of the digital economy, and produce tax certainty for digital companies.



Manda Gyan…

Asset securitization

The process of packaging a pool of assets and then selling interests in the pool in the form of asset-backed securities (ABS).