FINA₹THA

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TOP GAINERS

Security	PREV. CLOSE	TRADING PRICE	GAIN
Bharti Airtel	393.05	409.20	4.11%
Tata Steel	394.50	410.05	3.94%
UPL	530.30	549.00	3.53%

INDEX

- BSE 40,323.61
- NSE 11,908.15
- NASDAQ 8,475.31
- DOWJONES 27,681.24

CURRENCY

- USD/INR ₹ 71.38
- GBP/INR ₹ 91.18
- YEN/INR ₹ 0.65
- EURO/INR ₹ 78.65

Latest By NOVEMBER 18th, 2019

TOP LOSERS

Security	PREV. CLOSE	TRADING PRICE	LOSE
Yes Bank	68.70	65.85	4.15%
Bajaj Auto	3215.35	3156.90	1.82%
Britannia	3195.55	3140.90	1.71%

Top market news

- Bengaluru based realty firm Prestige Estates bought 28.99% stake in a commercial project in Mumbai of DB Realty.
- Private Equity firm Carlyle has launched a block deal to sell around 3 percent stake in SBI Life Insurance.
- Punjab National Bank and Union Bank of India on Monday said they have received in principal approval from the government for their amalgamation with other public sector banks.
- New India Assurance Company share price fell 4.45 percent intraday after HDFC Securities downgraded the stock to sell with a target price of Rs 116.

- Cadila Healthcare jumped over four percent intraday after Zydus Cadila received tentative approval from the US Food and Drug Administration.
- General Insurance Corporation of India fell 4 percent intraday after HSBC downgraded the stock to hold citing limited upside from current levels.
- Bharat Petroleum Corporation (BPCL) share price gained more than 4 percent in early trade after government said it is aiming to sell their stake in the company by March 2020.

Its all about *vishvasaneeyata*!!

Why India withrew from RCEP

India decided against joining Regional Comprehensive Economic Partnership (RCEP) trade deal as India did not receive any credible assurance on market access and non-tariff barriers. This paved way for the other 15-members to go ahead and sign the deal keeping the door open for India to join at later date.

Yeh KYU hua?

- **Trade Deficit**

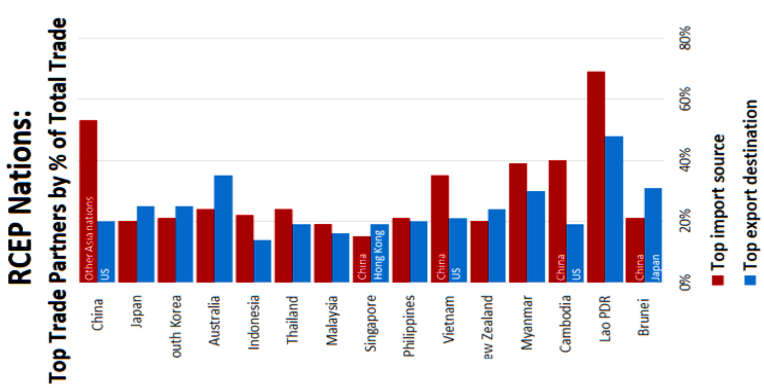
India has trade deficit with at least 11 of 15 RCEP countries. It has doubled in the last five years from 54 billion USD in 2013-14 to 105 billion USD in 2018-19. Of this China alone accounts to 53 billion USD.

- **Domestic market**

Australia and New Zealand are now in search of free access to market their diary products. Similarly Indonesia and Vietnam are looking for places to dump their less quality rubber. India being the largest market in the world, dumping such less expensive goods will affect domestic goods of India.

- **The China Factor**

The RCEP deal is in favor of China. China is now looking for greater access (as an alternate) to Indian market with the trade war with the US. A failure to find an alternate will have a cascading effect on Chinese economy and its global ambitions. India by not signing the RCEP deal has refused to be a willing dumping ground of China's trade imperialism.



KUCH AASAAN SI BAATEIN….

- **Rally**

A rapid increase in the general price level of the market or of the price of a stock is known as a rally. Depending on the overall environment, it might be called a bull rally or a bear rally. In a bear market, upward trends of as little as 10 percent can qualify as a rally.

- **Stock Symbol**

A stock symbol is a one- to four-character alphabetic root symbol that represents a publicly traded company on a stock exchange. Apple's stock symbol is AAPL, while Walmart's is WMT.

- **Spread**

This is the difference between the bid and the ask prices of a stock, or the amount for which someone is willing to buy it and the amount for which someone is willing to sell it.

Aapki jankari ke liye bata du...

Sunno Sunno!!!

WHY ITS CALLED DOW JONES

The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The Dow Jones is named after Charles Dow, who created it in 1896, and his business partner, Edward Jones.

National Bank for Agricultural and Rural Development (NABARD) was set up on 12th July, 1982. It is considered as one of the most important landmark in respect of rural credit in recent years. From the very beginning, Reserve Bank of India (RBI) was extending agricultural credit through state level Co-operative Banks and Land Development Banks. As a follow up, the Agricultural Refinance Development Corporation (ARDC) was set up by RBI in 1963 for meeting the long-term credit requirements of rural areas. But after the formation of NABARD, it took over all agricultural credit functions of RBI and the refined functions of ARDC after its merger with NABARD.

NABARD has an authorized share capital of Rs. 500 crore and paid-up capital of Rs. 100 crore which is contributed equally by the RBI and the Government. RBI nominates three of its Central Board Directors as member of the board of NABARD and a Deputy Governor of RBI is appointed as a chairman of NABARD. The paid-up share capital of Rs. 100 crore, has been raised through stages to Rs. 5,000 crore. It is also empowered to borrow additional funds from central government.

NABARD has been instrumental in grounding rural, social innovations and social enterprises in the rural hinterlands. It has in the process partnered with about 4000 partner organizations in grounding many of the interventions be it, SHG-Bank Linkage programmed, tree-based tribal communities' livelihoods initiative, watershed approach in soil and water conservation, increasing crop productivity initiatives through lead crop initiative or dissemination of information flow to agrarian communities through Farmer clubs. Despite all this, it pays huge taxes too, to the government figuring in the top 50 tax payers consistently. NABARD virtually ploughs back all the profits for development spending, in their unending search for solutions and answers. Thus the organization had developed a huge amount of trust capital in its 3 decades of work with rural communities.

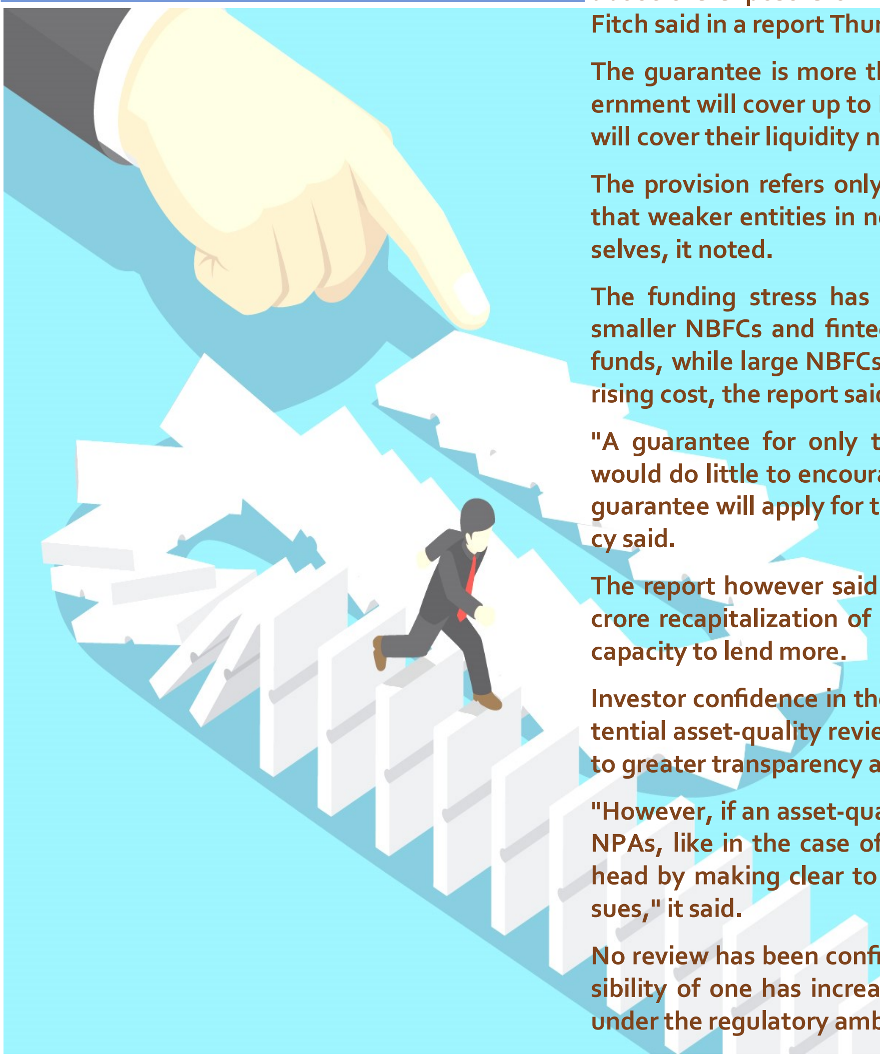
NABARD is the most important institution in the country which looks after the development of the cottage industry, small scale industry and village industry, and other rural industries. It also reaches out to allied economies and supports and promotes integrated development. It refinances the financial institutions which finances the rural sector and also partakes in development of institutions which help the rural economy. Moreover, they keeps a check on its client institutes and provide training and supervising facilities whenever required.

NABARD has its head office at Mumbai, and its hierarchy is as follows- There are total of 336 Regional Offices (RO), which has a Chief General Manager as its head in each office, and the Head office has several top executives, Managing Directors (MD), and a Chairperson. It also has 6 training establishments for the up and coming talents for them. NABARD assumes a

Shabdh-Kosh

HS CODE

HS Code stands for **Harmonized Commodity Description and Coding System**. It is referred to as "Harmonized System" or simply "HS" is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).



CRISIS

The government measures to provide partial credit guarantee to public sector bank on their asset purchases from NBFCs can ease funding pressure only for the short-term, says a report.

In the budget, the government had said for purchase of high-rated pooled assets of financially-sound NBFCs, amounting to Rs 1 trillion during the current financial year, it will provide a one-time six months' partial credit guarantee to public sector banks for their first loss of up to 10 percent.

The step, however, does not address investors' long- term concerns about the exposure of NBFCs' to stressed real estate, rating agency Fitch said in a report Thursday.

The guarantee is more than enough to cover typical losses. The government will cover up to Rs 1 trillion of issuance. We estimate that this will cover their liquidity needs for about six months," the agency said.

The provision refers only to financially-sound NBFCs, which suggests that weaker entities in need of funds may still have to fend for themselves, it noted.

The funding stress has been most severe for wholesale financiers, smaller NBFCs and fintechs, which have struggled to get even bank funds, while large NBFCs still have good access to funding, albeit at a rising cost, the report said.

"A guarantee for only the first six months following a transaction would do little to encourage buyers and we therefore assume that the guarantee will apply for the full life of the assets purchased," the agency said.

The report however said NBFCs will benefit more from the Rs 70,000 crore recapitalization of state-owned banks, which will increase their capacity to lend more.

Investor confidence in the NBFC sector could also be boosted by a potential asset-quality review of wholesale non- banking lenders, leading to greater transparency and more robust capital requirements.

"However, if an asset-quality review uncovers large under-reporting of NPAs, like in the case of banks, it might end up bringing things to a head by making clear to investors which entities have the biggest issues," it said.

No review has been confirmed, but market speculation about the possibility of one has increased with housing finance companies moving under the regulatory ambit of the RBI, the report noted.

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.

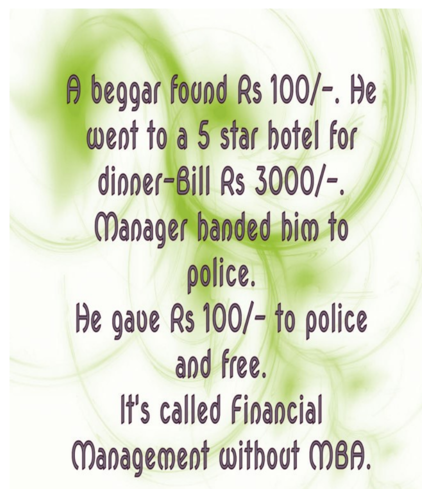
Although additional revenues may not accrue immediately, the OECD's proposed nexus rule would benefit countries like India in the long run.

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