

FIN-O-DATE

THE FINANCIAL GAZETTE OF MDIM



MDI
MURSHIDABAD

Management
Development
Institute



FINARATHA

THE FINANCE CLUB OF MDIM

WEEKLY
FINANCIAL
MAGAZINE
FOR THE
STUDENTS
OF
MDIM



**LET BUSINESSES OWN THE WORLD
YOU BE THE RULER**

ABOUT US



Finartha, the finance club of Management Development Institute Murshidabad formed with the ambitions of bridging the gap between the academic and professional worlds. As a student-run organization, the club brings together students with a shared interest in Finance to enjoy presentations from industry professionals, competitions, quizzes, finance-related discussions, casual and formal networking events as well as a variety of social events. It provides the platform for interactive discussions and orients oneself towards the world of business and commerce. The club plans to get into media through social as well as print media to update the students, academic professionals and industry veterans about its various activities. It thrives on providing the students with additional resources needed to develop themselves into strong candidates for the prospective job market. If one is zealous enough for the activities which go into finance and its substrates then 'Finartha' is the platform to quench that zeal.

Dr. PINKU PAUL

Assistant Professor, Accounting & Finance

Mentor FINARTHA



Dr. Pinku Paul is MBA, M.Com, PhD. in Business Administration. She is UGC NET qualified. She has over 11 years of teaching and research experience. Her research interest is in the area of behavioral finance, financial services, banking and insurance industry. She has authored several papers, which have been published, in national and international journals. She has also worked as Management Trainer in the World Bank Second India Development Market-Place (IDM) 2007 project on "Capacity Building of Rural Women on Production and Marketing of Cashew Apple Juice".



TOP GAINERS

INDEX

- **BSE** 41613.19
- **NSE** 12248.25
- **NASDAQ** 9314.91
- **DOWJONES** 28989.73

CURRENCY

- **USD/INR** ₹ 71.33
- **GBP/INR** ₹ 93.25
- **YEN/INR** ₹ 0.65
- **EURO/INR** ₹ 78.64

Latest By JAN 26th, 2020

Securities	Prev closing	Closing Price	Percentage increase	High/Low
Yes Bank	40.95	42.80	4.52%	45.00/41.10
Ultra TechCe-	4526.40	4642.75	2.57%	4679.70/4452.65
Britannia	3112.95	3192.50	2.56%	3212.95/3112.05
Tech Mahindra	768.95	787.30	2.39%	788.75/763.30
Kotak Mahindra	1605.85	1642.95	2.31%	1649.00/1587.00

TOP LOSERS

Securities	Prev closing	Closing price	Percentage decrease	High/Low
Power Grid Corp	201.95	196.95	2.48%	198.15/194.25
Cipla	465.15	458.85	1.35%	467.75/456.85
IndusInd Bank	1331.80	1316.10	1.18%	1345.00/1307.65
Tata Motors	188.40	186.50	1.01%	191.00/185.00
BPCL	469.00	466.10	0.62%	473.20/464.70

Top market news

- Market regulator SEBI is planning to rationalize margin system in the equity and commodity derivatives segments as part of its effort to boost liquidity and bring down trading cost.
- Share price of mortgage lender Indiabulls Housing Finance jumped over 3 percent in morning trade on January 24 after foreign brokerage and wealth management firm Credit Suisse.
- Capital markets regulator SEBI on January 24 disposed of a case of alleged insider trading in the scrip of Pantaloon Retail India Ltd.
- Nippon Life India Asset Management gained 3.5 percent intraday on January 24 as brokerages remained positive on the stock, citing steady performance in the October-December quarter.
- Coffee Day Enterprises share price locked at 5 percent upper circuit on January 24 as the company is going to sell Way2Wealth Securities.

Mergers and Acquisitions

Are you growing faster than m competitors? Are you a strategic fit? What can be your future growth in your financials? How well is your management team? Are there many more after you or it's just me? These are basic questions which are asked or arise in the minds of acquiree. If you and the potential buyer are unable to agree on an acquisition price, consider an "earnout" as a way of bridging this difference of opinion. An earnout is a contractual provision in the M&A agreement that allows a seller to receive additional consideration in the future if the business sold achieves certain financials metrics, such as milestones in gross revenues or EBITDA. Most mergers and acquisitions can take a long period of time from inception through consummation; a period of 4 to 6 months is not uncommon.



TOP 10 M & A



“Synergy is the VCR of Industry - discredited, outdated & left behind”!

ACQUIRER	ACQUIREE	VALUE
Fidelity National Information Services	WORLDPLAY	\$43 BILLION + DEBT
Kuwait Finance House	Ahli United Bank	\$7.7BILLION
CAPITAL LAND	ASCENDAS-SINGBRIDGE	\$7.9 BILLION
HELLMAN & FRIEDMAN	ULTIMATE SOFTWARE	\$11.2 BILLION
NEWMONT MINING	GOLDCORP	\$13 BILLION
DANAHER	GE' s BIO PHARMA	\$21.4 BILLION
BB&T	SUN TRUSTS BANK	\$28.3 BILLION

WHY MERGERS FAIL

While estimating synergies is difficult, doing so is vital and requires more investment in terms of time and human resource. Synergy analysis also illuminates issues that will shape due diligence, the structure of deals, and the negotiations that lead up to them. Arguably if the leaders of more mergers and acquisitions thought through how they were going to win together fewer of them would lose together. Merging or acquiring a company can be draining from a personnel and financial perspective, and it can quickly spiral out of control if the businesses have not outlined what they wish to achieve for each stakeholder.





Asian Development Bank (ADB)

Asian Development Bank (ADB) was established on Dec. 19, 1966. The aim of this bank is to accelerate economic and social development in Asia and Pacific region. The bank started its functioning on January 1, 1967. Its headquarter is located at Manila, Philippines. Its chairmanship is always given to the Japanese and 3 deputy chairmen belong to USA, Europe and Asia. Current President of A.D.B. and the Chairperson of ADB's Board of Directors is Takehiko Nakao from Japan. As a multilateral institution it provides loans, technical assistance and grants.

FIN-FACTS

NASDAQ was initially an acronym for the "National Association of Securities Dealers Automated Quotations". It was founded in 1971 by the National Association of Securities Dealers.



Asian Development Bank

BOTTOM-UP ANALYSIS

An investment approach that focuses on the analysis of individual stocks and deemphasizes the significance of economic cycles and market cycles.



FUNCTIONS -

1. To make loans and equity investments for economic and social development of its developing members countries.
2. To provide for technical assistance for the preparation and implementation of development projects and advisory services.
3. To respond to the request for assistance in coordinating developmental policies and plans in developing member countries.
4. This bank constituted Asian Development Fund in 1974, which provides loans to Asian countries on concessional interest rates.

Moreover, The Asian Development Bank (ADB) gives special attention to the needs of the smaller and less developed countries. It gives priority to the regional and sub-regional programmes which lead to the harmonious economic growth of the region.

The Asian Development Bank provides a lot of services to the member countries in the form of investments. At the same time, they also provide some specific sort of investment facilities for development purposes. Carrying a triple-A credit rating, ADB raises funds through bond issues on the world's capital markets. It also utilizes its members' contributions and retained earnings from lending operations.

Implications from the US China Trade War- Affecting India?

China is scouting for scientific and engineering talent globally. The number of Indian post-doctoral students and scientists in China runs in hundreds.

The implications of the first phase of the US-China trade settlement will travel far beyond China, impacting countries that deal with Beijing. In most cases, the impact on China's trade partners, including India, will be negative. But smart Indian companies can take advantage of some aspects of the deal, especially what they failed to cover, such as the technology sector.

China has been trying to get off the hook from Donald Trump administration's scrutiny and controls over technology acquisition by Chinese companies. Beijing is desperately pushing for a technology upgrade programme called Made in China 2025. It needs western technology and collaboration with companies and institutions in the US to make a success of it. The first phase of the deal does not touch this aspect at all. The second phase of the trade settlement is unlikely to happen before 2022; till then, Washington will monitor the implementation of the first phase. Meanwhile, the trade war will continue.

', Many Indian companies have the opportunity to grow dramatically if they find creative ways to adopt new technologies while operating in China and engaging with Chinese companies in India and in other countries.

In not addressing the technology question, the deal gives Indian companies and institutions an opportunity. They can join hands with Chinese counterparts, who are desperately looking for alternatives to US institutions. Indian entities should creatively use the opportunity to find out what exactly Chinese companies are seeking before making their offer. Indian firms must reach out rather than wait for invitation as China has alternatives.

The Indian government and corporate sector were not quick to respond to the needs of Chinese companies to relocate or invest overseas as rising costs, reduced export demand and anti-pollution laws pushed up product prices in China over the past three years. Vietnam stepped in.

Granted that Vietnam, with similar culture and surface road connections with China, had an advantage. But what India can offer more than any Southeast Asian country is its huge market and trained manpower. It is to be seen whether Indian companies and government agencies would respond to the new situation as smartly and creatively as it is necessary to monetise opportunities.





Global Financial Crisis

Fund managers are expecting an improvement in global growth going ahead but these expectations have not surged to boom levels, according to a global fund manager survey by Bank of America for January. Fund managers have completely priced out recession risks since June 2019 when BofA had released its most bearish fund manager survey since the global financial crisis. About 36 per cent of the fund managers expect strong global growth in the next 12 months but the survey said this is yet to hit levels consistent with a euphoric “boom”.

Global growth expectations have jumped 7 percentage points to net 36 per cent of investors polled indicating they expect global growth to improve over the next year, the highest level since February 2018.

About 19 per cent of fund managers surveyed now think the global economy will experience above-trend growth and below trend inflation and 62 per cent continue to expect below-trend growth and inflation. The survey took place between 9th and 16th January and saw participation of 249 fund managers with \$739 billion in assets under management.

“Investors are bullish, but not euphoric,” said Michael Hartnett, chief investment strategist at BofA. “We stay irrationally bullish risk assets until peak positioning and peak liquidity incite a spike in global bond yields and ‘the big short’ opportunity.”

Overweight on equity has risen to 32 per cent in the January survey from 31 per cent earlier, according to the survey. Historically, a top in stocks has coincided with this number rising to more than 50 per cent.



“The intelligent investor gets interested in big growth stocks not when they are at their most popular – but when something goes wrong.”

OUR TEAM

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JANUARY-FEBRUARY

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CLUB**

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Arif Jamal
Subhodip Kundu
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Jitender Kumar
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