

# FIN-O-DATE

THE FINANCIAL GAZETTE OF MDIM



**FINARITHA**

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.



# FINARATHA



## MDI | Management Development Institute MURSHIDABAD



### FIN-O-DATE THE FINANCE MAGAZINE

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#### INDEX

- SENSEX **45079.55**
- NIFTY 50 **13258.55**
- NASDAQ **12464.23**
- DOWJONES **30218.26**

#### CURRENCY

- USD/INR **₹ 73.80**
- GBP/INR **₹ 99.18**
- YEN/INR **₹ 0.71**
- EURO/INR **₹ 89.47**

LATEST BY:  
DEC 05th, 2020

#### TOP GAINERS

Securities	Prev closing	Closing Price	Percentage increase	High/Low
Adani Ports	435.80	453.70	4.86%	458.30/439.00
Icici Bank	481.85	502.05	4.49%	504.00/483.00
Hindalco	242.00	252.70	4.34%	255.95/243.00
Ultra CemCo	4893.50	5091.40	4.01%	5199.00/4960.10
Sun Pharma	548.25	569.05	3.68%	572.90/545.20

#### TOP LOSERS

Securities	Prev closing	Closing Price	Percentage decrease	High/Low
Reliance	1964.05	1946.75	0.83%	1969.00/1940.00
HDFC Life	647.95	643.25	0.73%	654.95/640.10
Bajaj Finsv	9114.05	9052.45	0.68%	9234.50/8970.00
BPCL	393.90	392.30	0.51%	398.80/388.80
HCL Tech	862.20	858.50	0.49%	867.85/854.45

#### TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	TARGET 2	STOP LOSS
L&T FH	BUY	91.50	102.00	109.00	85.00
Biocon	BUY	445.00	461.00	478.00	434.00
Sobha Ltd	BUY	331.00	345.00	375.00	325.00

#### Market Watch

- Nifty traded all time high and formed a bullish candle
- RBI Kept the policy unchanged and ensured ample liquidity in the future
- VIX India is down at 18.02 level suggesting bullish sentiment.
- Nifty has rallied significantly over the last month

Disclaimer: Futures, stocks and options trading involves substantial risk of loss and is not suitable for every investor. You are responsible for all the risks and financial resources you use and for the chosen trading system. You should not engage in trading unless you fully understand the nature of the transactions you are entering into .

## What's Brewing In The Market?

### Contactless card transaction limit hiked to Rs. 5K

In a move that could boost the adoption of digital payments, the Reserve Bank of India (RBI) on Friday increased the limit for contactless card transactions from Rs. 2,000 to Rs. 5,000, effective from January 1 next year. The same has been done for e-mandates for recurring transactions through cards and the Unified Payment Interface (UPI). According to the RBI, "Contactless card transactions and e-mandates on cards (and UPI) for recurring transactions have enhanced customer convenience, in general, while benefitting from increased use of technology. These are also well-suited to make payments in a safe and secure manner, especially during the pandemic".

### RTGS TO BE ROUND THE CLOCK FROM DECEMBER 14



The RBI on Friday said real-time gross settlement (RTGS) facility would be available round the clock on all days with effect from December 14. It said RTGS would be available for customer and inter-bank transactions round the clock, except for the interval between 'end-of-day' and 'start-of-day' processes, timings of which would be duly broadcasted through the RTGS system. Also, the intraday liquidity facility would be made available to facilitate smooth operations and it has to be reversed before the 'end-of-day' process begins.

Contactless card payments are done without punching in the PIN, which makes it a safe mode of transaction in the current circumstances. T R Ramachandran, group country manager, India & South Asia, Visa, said: "As evident in recent months, there is strong consumer preference for digital payments and the new enhanced limits for e-mandates and contactless cards will help transition millions of Indian consumers from cash to fast, convenient, and secure forms of digital payments".

Experts said it is a step in the right direction by the RBI and people have been asking it to enhance the limit. There should be an increase in the number of such transactions after the latest move, they said. The RBI has said the limit can be further enhanced at the discretion of the customer. Dilip Asbe, MD & CEO of the National Payments Corporation of India (NPCI) the increased limit would also help to boost the average value of transactions and push the adoption of digital payments. He said UPI's AutoPay feature should also get a boost as a result of this.

### RBI forecast, FPI flows push Sensex past 45K



The Sensex on Friday closed above the 45,000-mark for the first time, while the Nifty50 logged a new high of 13,259. The benchmark indices gained for the fourth straight session and fifth straight week — the longest run of weekly gains since July. Friday's gain of 1 per cent was after the RBI revised its gross domestic product target for the current fiscal year and kept rates unchanged despite high inflation.

The central bank expects the economy to contract 7.5 per cent in FY21, against the earlier estimate of 9.5-per cent de-growth. The Sensex closed at 45,079, with a gain of 447 points, or 1 per cent. It has rallied 5,000 points, or 15 per cent, since November without any meaningful correction. RBI Governor Shaktikanta Das said the economy is expected to show positive growth in the second half of FY21. The economy saw normalisation of activity in the second quarter. Further, the RBI said the Indian economy had exhibited stronger-than-expected pickup in the momentum of recovery. Stocks linked to the real economy, such as banks, cement, and consumer goods, rallied on positive commentary from the RBI. "The RBI's statement reiterated it is not going to worry too much about inflation at this point and is going to be accommodative. That was all the support the market needed," said Andrew Holland, chief executive officer,

Aventus Capital Alternate Strategies.

Globally, renewed US stimulus negotiation and vaccine roll-out kept investor sentiment buoyant. Asian shares scaled a record high on Friday on growing prospects of a large US economic stimulus package. Analysts said with the trigger of the RBI policy out of the way, markets globally can look forward to rising chances of an early US economic stimulus package.

"With all the major events behind us, we feel global cues would dictate the market trend ahead. Besides, news related to Covid vaccines will also be in focus. Mostly rate-sensitive ended on a strong footing, and we may see follow-up buying next week. Traders should not get carried away with the prevailing buoyancy and stick to quality names as we can't ignore the possibility of an intermediate corrective phase," said Ajit Mishra, vice-president research, Religare Broking. Two hundred and seventy four stocks hit their 52-week high, and 383 stocks were locked in the upper circuit on the BSE. The market breadth was positive, with total advancing stocks at 1,606 and those declining at 1,286 on the BSE. All the Sensex components, barring five, ended the session with gains. ICICI Bank was the best performing Sensex stock. It ended the session with a gain of 4.2 per cent. Barring one, all the BSE sectoral indices ended the session with gains. Banking and telecom stocks gained the most, and their gauges rose 2.1 per cent and 1.8 per cent, respectively. Aviation and travel stocks posted strong gains after the government lifted the cap on domestic flights to 80 per cent of pre-Covid levels. InterGlobe Aviation rallied 6 per cent, SpiceJet rose 10 per cent and jumped 15 per cent.

## Six Mantras In 2021 Based on Investment Learnings From 2020

The appeal of making money often lure people into the trading, but the reality of losing money can be quite a dampener .

'Let all the failures of the past year, be your best guide in the new year' goes a famous saying. The phrase perfectly depicts how the year coming to an end is neither an end nor a beginning, but a continuation with all the wisdom that experience can instil in us. The appeal of making money often lure people into the trading, but the reality of losing money can be quite a dampener.



**Here are a few investment learnings of 2020 that can be of help to novice as well as experienced investors:**

### **Buy early and sell early or buy late and sell later:**

'Buy on a huge dip' has been an age-old advice followed by many. However, most of those investors fell in the trap of selling too early. The mantra is to remain patient. The Year 2020 gave many opportunities in the form of huge dips and the trend is expected to continue in the upcoming year.

### **Risk management system on a 45% drawdown:**

In 2020, a calculated risk management system was tested. While traders grappled with volatility, investors evaluated the risk management system. The risk management system carefully identifies and assesses the risk as well as developed strategies to manage and minimize the same while maximizing profits. The mantra will be to reduce the risk by not investing in derivative and leverage position, but rather invest in cash markets.

### **Sector Rotation is Key:**

It is a known fact that all the sector does not perform well at the same time. In 2020, sectors such as pharmaceutical, FMCG, IT, BFSI outperformed, followed by an upward trend witnessed by laggards. The mantra is to understand sector rotation.

### **Increase allocation of stock bottoming out and decrease allocation on stock topping out:**

The mantra will be to increase exposure on the downside and reduce exposure on the upside.

### **Focus on Position Sizing:**

Traders often invest in a random position size. Importance should not only be given to what you want to invest in, but also the size of the investment. Taking a minor position with a huge upside is an opportunity lost to make a significant return.

### **What not to buy is equally important as what to buy:**

In all market conditions, especially in 2020, focus should not just be on what to buy but on what to not buy. Good companies perform well whether the market is bullish, bearish or neutral while bad stocks underperform in all market conditions.



## UK's economy recovery to be slowest

The UK's economic recovery from the coronavirus pandemic is expected to be the slowest among all other leading economies in the world, except Argentina, according to the Organisation for Economic Co-operation and Development (OECD). In its report, OECD said that the world economy would on average regain the lost output from the Covid-19 crisis by the end of 2021, however, the UK would need much longer.

It said that by the end of 2021, Britain's economy would still be 6.4 percent smaller than it was in the fourth quarter of 2019. According to the organisation, the UK allowed the virus to spread extensively in the country without undertaking proper lockdown measures.

The OECD added that the economic outlook would be worse if the virus spreads any further. In its report, it said, "A deterioration could prompt additional restrictions on economic activity and lead to a slower recovery. "New treatment methods or earlier than assumed distribution of a vaccine is a clear upside risk."

The failure to conclude a trade deal with the European Union by the end of 2020 would entail serious additional economic disturbances in the short term and have a strongly negative effect on trade, productivity and jobs in the longer term," it said.

A poll carried out by Reuters recently revealed that the UK's economy will take at least two years to recover. Recent media reports also suggest that economy is heading for another contraction in the last quarter of the year. In the third quarter, the UK economy grew by 15.5 percent; however, the economy is likely to contract 2.7 percent this quarter.

## Kenya seeks to defer \$690 mn in debt payments

Kenya is planning to defer around \$690 million in debt payments. In May, the country said that it would not consider suspension of debt payments under the G20's Debt Service Suspension Initiative. However, it has changed plans to join the initiative, which it had previously declined.

G20's Debt Service Suspension Initiative is developed to assist poor economies cope with the novel coronavirus. The pandemic has dwarfed the economic growth of several countries in the last few months.

Finance Minister Ukur Yatani, told the media, "We have been reluctant in the past because of the attendant unintended consequences in terms of those holding private debt. But now after getting a bit of assurance that it is a matter that can be managed, we are now strongly considering joining the arrangement."

The finance minister said that their willingness to join the initiative is not finalised and the decision will eventually be made by early next week. It is reported that the country would retain Sh75 billion in deferred debt payments 'over the term of the relief deal'.

Currently, the Kenyan government is in discussion with the International Monetary Fund on a new lending facility. It seems that the country's budget deficit has deepened owing to the coronavirus pandemic.

In May, Kenya secured \$1 billion from the World Bank. The grant was the second-ever direct lending from the organisation, while the first took place last year. That said, the country will interact with China to join the debt relief fund. China is one of its chief creditors.

**Fin Gurus:** This series will cover the success stories and journeys of the investors who aced the share market.

Rakesh Jhunjhunwala is popularly known as Warren Buffet of India and the King of Bull Market. He was born and raised in Mumbai. As an income tax officer, his father was released. His father was actually the one who introduced him to the stock market world.

He dreamt of becoming a pilot and then a journalist during his childhood. He was eager to learn the ups and downs prevalent in the stock indices as his father was an Income-tax Officer. Later, to gain more information, he explored these topics with his peers.



*Rakesh Jhunjhunwala*

Throughout the teachings concerning price volatility in market markets, Rakesh Jhunjhunwala was observant. He told his father once about going into the stock market, but his father asked him to be professionally trained and encouraged him to earn and trade his own money without obtaining any financial assistance from him. And then think about options like that. He finished his technical degree in CA after that and entered the stock market in 1985. Looking at the market conditions, he realised that in order to invest in the stock market, a significant amount of capital was required. So Rakesh Jhunjhunwala approached his brother and raised 1.5 million. In 1986, when he sold 5,000 shares of Tata Tea for Rs 143 which he had bought for Rs 43 a share, he made his enormous profit of Rs 0.5 million. Within a short period with the recovery of the market, Rakesh Jhunjhunwala made a good profit in Tata Power, Sesa Goa, and Telco.

The trading king believed that the stock market alone would not help him accomplish great things in life. So he switched to the trading business. He extensively researched the conditions of the market and the mechanics of trading procedures. In 2002-03, he purchased 6 Titan crore shares at an average price of about Rs 3, which is now Rs 390 and holds an investment value of 2100 crore. Rakesh Jhunjhunwala currently owns Unusual Enterprises (An Asset Management firm). For him these stocks produced a valuable return. There are many stocks that made him huge sums of money, such as Lupin, Titan, Crisil, etc., which accounted for more than half of the overall value of his portfolio. During the long Harshad Mehta period, Rakesh Jhunjhunwala also made a lot of money at ACC. He is also Hungama Digital Media Entertainment and Aptech Limited's Chairman. His present net worth is USD 300 crore.

### Achievements:

He made his first big profit in Tata Tea. A stock he bought for Rs43 and which Rs143 within a matter of 3 months. So by taking similar trades between 1986 to 1989. Mr.Rakesh Jhunjhunwala earned about 20-25 lack rupees and his net worth went up to 50 lack rupees. Now he struggles for the next couple of years but then he got the next major breakthrough in his career.He saw a great opportunity in a company called Sesa Goa which is now part of the Vedanta group. There was a depression in the Sesa Goa industry. The stock of Sesa Goa trading at a discounted price of 24-25 rupees. Mr.Rakesh Jhunjhunwala saw a huge opportunity in this undervalued stock and bought ₹1 crores worth which he later sold 4 to 5 times at a higher price. This single trade catapulted his net worth to ₹2.5 crores. But the best was yet to come.In 1989 there was a lot of pessimism in the stock market regarding the budget that was going to be presented by the VP Singh government. The market had significantly corrected before the budget. Because it was assumed that it would not be a business-friendly budget. So what he did?At the time when everybody was pessimistic Mr.Rakesh bought aggressively and its instant turn out to be right. The budget turned out to be business-friendly, and the market changes so heavily that in the next few months the Rakesh Jhunjhunwala net worth went up to 20 times from ₹2.5 crores to ₹50 crores.This one event inspires me the most about Mr.Rakesh Jhunjhunwala's journey that not only he had good trading expertise but he also had the guts to go big on them. So it's not sufficient you should also have the same confidence that what differentiates men from boys.Later in his career, Mr.Rakesh started his own investment company called "Rare Enterprises." And the name basically comes from the initial two letters of Rakesh and the two letters of his wife Rekha. So from there onwards, trading took a back seat and Mr.Rakesh slowly shifted toward investing. Over the years he has rarely profitable bets companies like Titan, LUPIN, Crisil, Praj, and several other companies that catapulted his wealth to ₹20,000 crores.It is also important to understand that not every investment Mr.Rakesh was made was successful. In fact, he faces significant losses in investments such as MRVL, DHFL, GEOJIT BNP PARIBAS, and a lot of other companies.

# TEAM FINARTHA

The **FINANCE CLUB OF MDIM**

**BATCH OF 2019-21 & BATCH 2020-22**

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Devansh Chokhani | Abhishek Satpathy | Neha Kedia | Puneet Agarwal | Jitendra Kumar (Secretary)



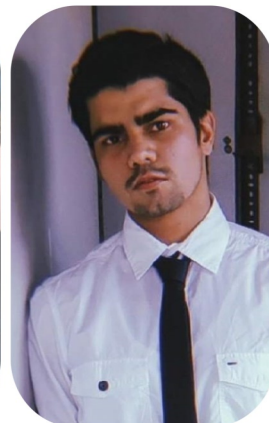
Shubham  
Bhattacharya



Joy  
Dutta



Megha Poddar



Rahul  
Dhankhar



Navin  
Srivastava