

FIN-O-DATE

THE FINANCIAL GAZETTE OF MDIM



MDI
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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



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December 26, 2020

ISSUE- 76

INDEX

- **SENSEX** 46973.54
- **NIFTY 50** 13749.25
- **NASDAQ** 12804.73
- **DOWJONES** 30199.87

CURRENCY

- **USD/INR** ₹ 73.66
- **GBP/INR** ₹ 98.57
- **YEN/INR** ₹ 0.71
- **EURO/INR** ₹ 90.49

LATEST BY:
DEC 26th, 2020

TOP GAINERS

Securities	Prev closing	Closing Price	Percentage increase	High/Low
Tata Motors	169.20	175.95	3.90%	178.00/172.00
Sun Pharma	574.60	590.45	3.18%	595.00/572.15
Axis Bank	592.45	610.20	2.84%	614.00/594.15
Reliance	1943.85	1994.15	2.53%	1998.80/1945.90
IOC	88.15	90.25	2.38%	91.25/88.25

TOP LOSERS

Securities	Prev closing	Closing Price	Percentage decrease	High/Low
INFY	1253.05	1236.05	1.25%	1249.00/1226.00
WIPRO	385.55	382.20	0.97%	386.70/378.65
Nestle India	18732.70	18566.35	0.82%	18830.00/18372.00
HCL Tech	922.60	919.35	0.61%	928.25/910.70
UPL	451.95	449.40	0.59%	456.60/448.00

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	TARGET 2	STOP LOSS
DLF	BUY	235.00	250.00	265.00	230.00
ITC	BUY	220.00	240.00	290.00	209.00
WIPRO	BUY	390.00	420.00	435.00	375.00

Market Watch

- Nifty holds above 13500.
- Nifty Likely to have a correction of 300-400 points
- Nifty forms a long legged doji candle.
- Traders should be cautious about profit booking in the future.

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?

Super-rich club sees 10 entrants; wealth up 33%

The recent rally after the lockdown on the bourses has surprised many and also benefited India's billionaire promoters. The super-rich club grew to an all-time high of 90 billionaires (in dollar terms) against 80 at the end of December 2019. Together, these billionaires now have combined wealth of \$483 billion (around Rs. 35.5 trillion), up 33 per cent in the past 12 months from \$364 billion on December 31 last year. The combined wealth of these billionaire promoters is equivalent to nearly a fifth of the India's estimated annual gross domestic product (GDP) at current prices when converted into dollars.

TOP GAINERS	Group/flagship company	Net worth (₹ crore)	Chg in CY20 (%)
Acharya Balkrishna & Baba Ramdev	Ruchi Soya/Patanjali Ayurved	19,968	18,108.2
Satyanarayana Chava/Vantaram Venkata Ravi Kumar	Laurus Labs	6,003	379.3
Yogesh M Kothari /Suneet Y Kothari	Alkyl Amines	5,957	262.2
Sunil Vachani	Dixon Tech	5,363	221.5
C K Mehta/S C Mehta	Deepak Fertilisers	6,529	135.7

In contrast, the International Monetary Fund expects a 9.6 per cent decline in India's current GDP in FY21 to around \$2.6 trillion. Broadly speaking, GDP is the sum of all income in an economy, including profits and individual incomes. Mukesh Ambani of Reliance Industries once again topped the charts with total net worth of \$87.5 billion (or Rs. 6.44 trillion), up 37.2 per cent in the past 12 months. In comparison, Ambani's wealth had increased by 47 per cent in 2019. He added around \$21.5 billion to his wealth in 2020 at the rate of around \$410 million a week or around Rs. 480 crore a day at the current rupee-dollar exchange rate. (See the adjoining chart.)

Among the country's wealthiest promoters, the Gautam Adani family of Adani Group saw the biggest rise in percentage terms in wealth in 2020. The Adani family's wealth more than doubled in 2020 to \$41 billion from \$20 billion a year ago. This was due a big rally in the Adani Group stocks led by Adani Green, Adani Ports & SEZ, and Adani Enterprises.

Crunchy debut: Mrs Bectors shares zoom 106%

STREET SHOPPING

Top five listing gains in 2020

	Issue price	Listing day close	Listing gain (%)
Burger King India	60	138.4	130
Happiest Minds Technologies	166	371	123
Mrs Bectors Food Specialities	288	595	106
Route Mobile	350	651	86
Rossari Biotech	425	742	74

Source: primedatabase.com

Mrs Bectors Food Specialities made a strong market debut on Thursday. It was listed at Rs. 500, a gain of 73 per cent from its issue price. It rose further and ended the session at Rs. 595 — a whopping 106 per cent above its issue price. Mrs Bectors posted the best listing gain in 2020 after Burger King and Happiest Minds, which gained 130 per cent and 123 per cent, respectively. The value of promoter holdings in the firm has jumped from Rs. 864 crore to Rs. 1,787 crore. After the listing, it commands a market capitalisation of Rs. 3,498 crore.

The IPO of Mrs Bectors garnered 198x subscription, generating bids of more than Rs. 40,000 crore. For IPOs of more than Rs. 200 crore in size, this was the highest ever subscription.

Previously, only three tiny issues had garnered more than 200x subscription.

The huge oversubscription of Mrs Bectors — a biscuit and bread manufacturer — came close on heels of Burger King India's successful debut. Eyeing similar listing gains, wealthy investors mounted bets worth Rs. 33,800 crore. The so called HNI portion saw 620x demand vis-à-vis shares on offer. The QIB portion was subscribed 177x, and retail category saw nearly 30x subscription. Because of the huge oversubscription, investors were allotted a tiny portion of what they had bid for. Retail investors got only one lot, or 50 shares, with the highest number of shares allotted for HNIs being 953. Analysts have a 'hold' rating despite the gains.

According to experts, the firm will capitalise on growth in the packaged food industry, given its brand positioning in North India and wide distribution network. The domestic biscuit and bakery market is expected to grow 9 per cent in the next few years thanks to urbanisation and increase in disposable income. The institutional Indian bakery industry is also expected to grow 20 per cent. "The valuation, on a long-term basis, is attractive compared to peers. If you consider the segments in which it operates, growth prospects are better. Further, the subscription was high, and a lot of demand was unmet. Institutional investors are likely to add the stock in their portfolio," said Vinod Nair, head (research), Geojit.



How do traders use various moving averages to spot index/stock trends?

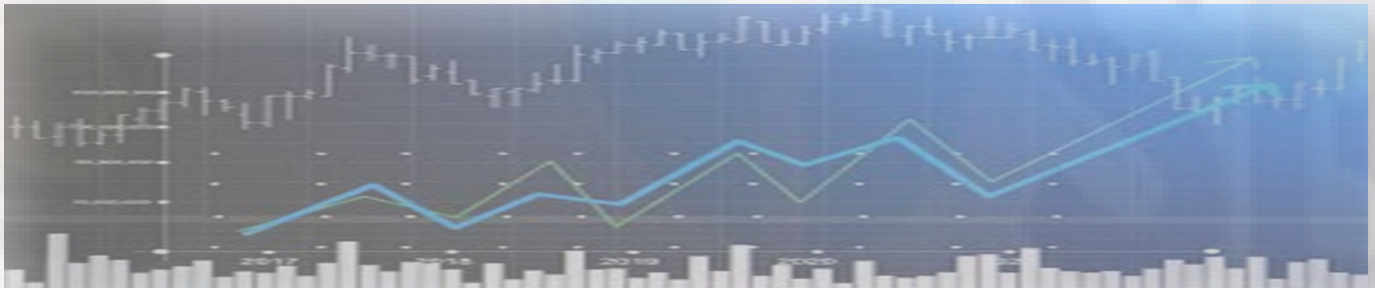
Moving Averages (MA) are one of the most popular and often-used technical indicators in the financial markets. In simple words, a moving average is an indicator that shows the average value of a stock's price over a period (i.e. 10 days, 50 days, 200 days, etc) and is usually plotted along with the closing price.

The most common applications of moving averages are to identify the trending direction and determine support and resistance levels. One can also say that moving averages are used to smoothen out the 'noise' of short-term price fluctuations, so as to be able to identify and define significant underlying trends more readily.

When calculating a moving average, a mathematical analysis of the stock's average value over a predetermined time period is made. As the stock price changes, its average price moves up or down.

There can be no complete understanding of moving averages without an understanding of trends. Simply put, a trend is a price behaviour in a certain direction.

There are five popular types of moving averages (simple, exponential, triangular, variable and weighted moving averages). However, the only significant difference between these different types of moving averages is the weight assigned to the most recent data.



The most popular method of interpreting a moving average is to compare the relationship between the moving averages of the security's price with the price itself. The direction and place of a moving average convey important information about the price: a rising moving average shows the prices are generally increasing, while a falling moving average indicates that the price, on average, is falling.

While a price placed above the long-term moving average reflects an overall uptrend, the price placed below a long-term moving average reflects an overall downtrend. A 'buy' signal is generated when the security's price rises above its moving average, while a 'sell' signal is generated when the security's price drops below the moving average.

Some traders use the moving averages to not only identify index/stock trends but also to determine entry and exit strategies. Crossovers are one of the main moving average strategies. Moving average crossovers are a popular strategy for both entries and exits, while another strategy is to apply two moving averages: one long term and one short term to figure out a trend. When the shorter-term MA crosses above the longer-term MA, it gives a 'buy' signal, as it indicates that the trend is shifting upward. This is what is called a 'golden cross'. And when the shorter-term MA crosses below the longer-term MA, it gives a 'sell' signal and that is called a 'dead/death cross'.

Stock markets can ride new waves or scale walls of worry all in a day's work, and that is where technical indicators can make a big difference in trading. A moving average (MA) is one of the commonly used technical tools best known as trend following or lagging indicator, because it is based on past prices. Thus, it can only help to confirm when a change takes place in the trend.

When co-related with other technical indicators such as Relative Strength Index (RSI) and Moving Average Convergence Divergence (MACD), an MA can assist in determining 'buy' or 'sell' signals. The use of multiple moving averages can typically enable traders to opt for a more powerful trading strategy.



The true cost of Brexit on the property market—not felt?

The counting of days for the Brexit transition period has begun—posing questions on various aspects of the UK economy. The popular question raised is what will be the pulsating effect of Brexit or a no-deal Brexit on the property market?

To begin, house prices in the UK have been stable and buoyant for the most part. With a no-deal Brexit on the cards, experts anticipate that the UK leaving the EU without a trade deal could impact house prices in London—but not the property market at large. For what it's worth, the UK property market is experiencing a boom driven by the government's decision to impose a stamp duty holiday until March 31, 2021.

London Lettings and estate agent Benham and Reeves has published a research report which found that cash buyers are securing the biggest property price discounts in the prime London market. This finding is compared to those funding their home purchase with a mortgage.

Why London property market is still attractive

Across London's prime postcodes, cash buyers are easily saving themselves shy of £16,000 on average. Again, this is quite profitable compared to those buyers who are funding their home purchases with a mortgage. Recently, the biggest cash discount seen across the prime market was in the W1 postcode in Mayfair. According to the research, these cash buyers are paying an average of £2.320 for property in the postcode, which points to £81,772 less less than their mortgage funded counterparts.

Director of Benham and Reeves Marc von Grundherr, as part of the research said, "Cash is always king when it comes to negotiating a better price in the UK property market and this is no different at the very top end. Regardless of the value of a property, a cash buyer often means a smoother, quicker and more stable selling process as there is no chain beyond them to complicate the transaction. This can be preferable for many sellers but it does often mean adjusting their price expectations for the pleasure. As a result, cash buyers will often pay less and in the prime market, these discounts can be sizable although still relative to the overall price of a property."

For now, the London property market is still an attractive market for property buyers despite all crises. A weaker pound and added benefit of a stamp duty discount is in fact allowing foreign cash buyers to save more money and secure a good value for their investment.

Grundherr said "We see many foreign buyers, in particular, benefit from a cash funded purchase as they generally tend to have a strong financial position and are entering the market fresh with no previous purchase slowing them up. The London market currently provides a very attractive proposition, with a weaker pound and the additional benefit of a stamp duty discount meaning foreign cash buyers are saving themselves quite a considerable sum and are securing extremely good value for money."

UK cities noted for chain-free sale

In another research published by Yes Homebuyers, some of the UK cities are noted for their highest levels of chain-free property stock, especially for homebuyers seeking to avoid current market backlogs. By the numbers, Cambridge appears to be the chain-free property hotspot in the UK. Currently, 46 percent of all homes listed in London create an opportunity for a chain-free sale., leading to easy transactions and swift sale process. That is followed by Belfast, which is again home to the second highest number of homes with chain-free sale. It is found that 44 percent of properties listed for sale have not had a dreaded chain.

Other cities such as Sheffield, Manchester and Liverpool share the reputation of being the third best city for a chain-free sale. Two weeks ago, it was found that they collectively owned 42 percent of the current property stock listed. In this context, Matthew Cooper, Founder and Managing Director of Yes Homebuyers, as part of the research said "Being stuck in a chain can be an incredibly stressful process when selling or buying a property and waiting for the stars to align can drag on for months on end, before the whole thing comes crashing down and your back to square one." Nonetheless, the beginning of 2021 will lead to the realisation of what might be the actual impact of Brexit on the UK property market, and whether the prices and chain-free sale will dramatically change.

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

Raamdeo Agarwal is also popularly known for co-founding Motilal Oswal Financial Services, and his family now owns about 36% of the company's share. As of 2020, Mr. Raamdeo Agarwal had a net value of \$1 billion.

The Early Life of Raamdeo Agarwal

Raamdeo Agarwal came from Raipur, Chhattisgarh. As the son of a farmer he talks, he expresses that the only investment strategy his father knew was saving and investing in his children. Raamdeo Agarwal moved to Mumbai to complete his higher education. He studied Chartered Accountancy and completed the course in five years. It was in Mumbai that he soon met his closest associate and business partner, Motilal Oswal. Their paths crossed as they were staying in the same hostel.



Raamdeo Agarwal

Life After entering the Stock Market

Raamdeo Agarwal and Oswal had one shared interest, the stock market. In 1987, they agreed to become sub-brokers of BSE. He managed to become a stockbroker by 1990 and also started trading in the stock market for himself. By doing so, he was able to grow a portfolio of more than Rs 10 lac.

Over the next few years, we might claim that he was lucky enough to stay on the stock market when the Harshad Mehta Bull Run arrived in 1992. His investment of 10 lacs had now become 30 crores. When the bull run broke out over allegations of the Harshad Mehta scam. As a result, his investment value fell from 30 crores to 10 crores.

Some of notable investments of Raamdeo Agarwal

Here are some of the most famous and lucrative investments made by Mr. Raamdeo Agarwal in the early stages of his career:

1. Hero Honda – He bought the Hero Honda stock at Rs. 30 in 1996 and sold it at Rs. 2600 in 2016. In the 20-year period, the company also received a dividend of about Rs 600 per share.
2. Infosys – Infosys bought shares in the mid-90s and sold them for a return of more than 12 times. In that holding period, it also received consistent incentives and dividends from that stock.
3. Eicher Motors – Eicher was purchased at Rs. 900. The investment amounted to Rs. 32,000 in 2017.

Raamdeo Agarwal Success Story: Secret Sauce— QGLP (Quality, Growth, Longevity & Price)

QGLP stands for the four factors considered while purchasing a stock.

1. Quality

After investing in financial technology, Raamdeo Agarwal realized the value of this aspect. This is an example that he shares as one of his bad decisions. He suffered losses when investing in Financial Technology (India) Ltd. This made him aware of the value of management quality in an organisation. He bought the shares of Rs. 1150 and was later forced to sell Rs. 150.

After that, Raamdeo ensured that he still paid special attention to the management. It also considers this to be a determining factor, since all other data are available or computable to the general public in contrast. But it's the management that's left in the dark. It ensures that its investments are handled in a fine, truthful and transparent manner. The management should also take care of the shareholders and provide them with timely dividends and, at the same time, the capital for growth.

2. Growth

Raamdeo considers the growth stock to be one of a large business that is not yet successful. By investing in these firms, profits would be high but secured at a low cost.

3. Longevity

This element allows investors to invest in companies which have been around for a long time. This not only gives investment some stability, but also gives investors ample data to allow them to make decisions.

4. Price

The price of the stock must be calculated in accordance with the value it provides. This means that when you purchase a stock, its price should be lower than its valuation.

TEAM FINARTHA

The **FINANCE CLUB OF MDIM**

BATCH OF 2019-21 & BATCH 2020-22

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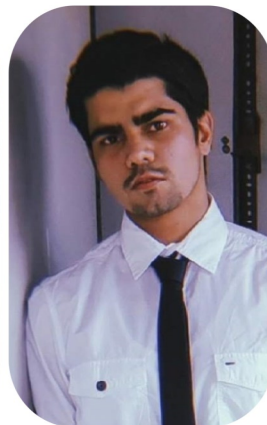
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