

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.



FINARTHA



MDI | Management Development Institute MURSHIDABAD



FIN-O-DATE THE FINANCE MAGAZINE

February 28, 2021

ISSUE- 85

INDEX

- SENSEX **49099.99**
- NIFTY 50 **14529.15**
- NASDAQ **13192.35**
- DOWJONES **30932.37**

CURRENCY

- USD/INR **₹ 73.60**
- GBP/INR **₹ 102.48**
- YEN/INR **₹ 0.69**
- EURO/INR **₹ 88.85**

LATEST BY:
Feb 28th, 2021

TOP GAINERS

Securities	Prev closing	Closing Price	Percentage increase	High/Low
NA				
NA				
NA				
NA				
NA				

TOP LOSERS

Securities	Prev closing	Closing Price	Percentage decrease	High/Low
ONGC	119.05	111.00	6.38%	118.40/110.05
Hero	3434.40	3224.00	6.30%	3423.65/3199.80
M&M	859.00	806.40	6.30%	856.65/798.50
Jsw Steel	421.75	395.45	6.21%	421.30/392.05
Gail	150.80	141.80	6.20%	149.95/140.40

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	TARGET 2	STOP LOSS
Ambuja Cement	BUY	283.00	310.00	350.00	270.00
Emami	BUY	517.00	560.00	600.00	495.00
Sobha	BUY	500.00	550.00	623.00	482.00

Market Watch

- Sensex slightly lesser than 50000 thus suggesting bullish momentum
- Make sure you do not indulge in counter trend trading
- Sectors effect will shape the broader market
- Market is undergoing major pullback, focus on Auto, Realty and Banking stocks.

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?

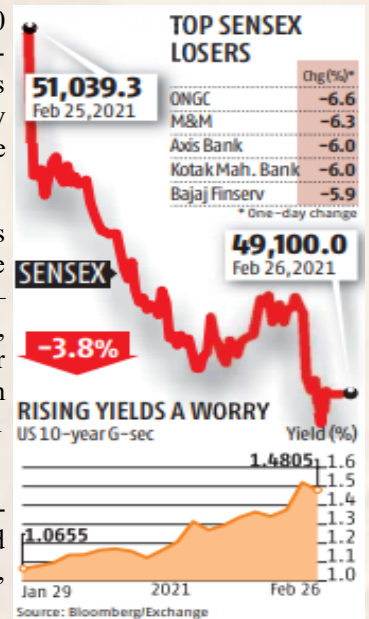
Sensex suffers its worst single-day fall in 10 months

Crashes 3.8% as bond yield surge rattles investors

India's benchmark stock indices on Friday saw their worst single-day rout in nearly 10 months as the rising US bond yields took the wind out of the sails of equity markets globally. The 10-year US Treasury yield rose to as much as 1.61 per cent on Thursday, as against 1.08 per cent at the start of the month, stoking fears that the days of loose monetary policy, which underpinned the stock market rebound from the last year's lows, could be numbered.

Not just in the US, government bond yields have surged in most countries on expectations of rising inflation in the post-pandemic period, even as policymakers suggest that it will be a long road to recovery. The Sensex fell 1,939 points, or 3.80 per cent, to end at 49,100 — its biggest loss since May 4 last year — while the Nifty closed at 14,529, down 568 points, or 3.76 per cent. The fall in the Indian indices was the most among global markets after Japan's Nikkei 225, which dropped 4 per cent. Investors lost a whopping Rs.5.3 trillion on Friday, with the total market capitalisation of BSE-listed companies standing at Rs.200.81 trillion.

Foreign portfolio investors sold shares worth nearly Rs.8,300 crore, while domestic institutions provided buying support of Rs.1,500 crore. The Indian markets had outperformed global peers on the way up in February and are falling more than others on the way down, said experts.



Govt announces rules to curb social media misuse

FB, Google, Twitter need to remove content within 36 hours of order

The government on Thursday announced new information technology rules to curb the misuse of social media platforms. It mandated firms to appoint a grievance officer and disclose the first originator of the mischievous information and remove it within 36 hours.

The rules said content depicting nudity or morphed pictures of women needed to be removed within 24 hours. The rules notified by the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, will affect players such as Google, Facebook, and Twitter, and will include OTT (over the top) platforms such as Netflix, Amazon Prime, and Disney+ Hotstar.

The rules make a distinction between social media intermediaries and significant social media intermediaries that have a large number of users. The government will notify the threshold of the user base that will distinguish between the two.

The rules related to social media will be administered by the Ministry of Electronics and Information Technology, while those for OTTs and digital media by the Ministry of Information and Broadcasting.

THE NEW RULEBOOK

SOCIAL MEDIA INTERMEDIARY: A platform which primarily or solely enables online interaction between two or more users and allows them to create, upload, share, disseminate, modify or access information using its services

SIGNIFICANT SOCIAL MEDIA INTERMEDIARY: One having the number of registered users in India above such threshold as notified by the central government

Soon, get discount for paying life insurance premium in advance

Soon, you can pay your insurance renewal premiums in advance and get a discount. The Insurance Regulatory and Development Authority of India (Irdai) has issued draft guidelines proposing to allow life insurance companies to offer discounts for renewal premiums paid in advance. According to the draft circular, the discount should be equal to the interest rate on savings account deposits of State Bank of India (SBI) as of April 1 of each financial year, plus at least 100 basis points. This should be applicable to all advance premiums during the entire financial year.

Currently, SBI offers an interest rate of 2.7 per cent on savings account deposits. "The facility of discounts shall be offered to all existing policyholders and prospective policyholders under current on-sale products (to those) who want to pay renewal premiums in advance," the draft norms stated. The regulator has asked the insurers to inform Irdai in writing within seven days of offering the facility.

Insurance companies said feedback had been sought from them, and the regulator might issue the final norms shortly. In the case of the occurrence of insured event during the period of receipt of advance renewal premium and the next due date, advance premium along with interest accrued as on date of settlement of claims should be refunded to the policyholder or beneficiary, as the case may be, along with other benefits in accordance with the terms and conditions, the regulator said.

IN THE OFFING

- Irdai has issued draft guidelines to insurers
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- This should be applicable to all advance premiums during the entire financial year
- Insurers will have to inform Irdai in writing within seven days of offering the facility



IOB signs corporate agency pact with SBI General Insurance

Public sector Indian Overseas Bank has signed a corporate agency agreement with SBI General Insurance to retail its insurance products to bank customers, a top official said on Friday. Indian Overseas Bank has signed a bancassurance agreement for distribution of non-life offerings with SBI General Insurance to offer a range of general insurance solutions and innovative products to the customers of the bank.

The tie-up would help expand the bouquet of insurance product to customers.

The partnership would improve penetration in urban, tier II and III markets and also create awareness about personal lines of insurance to customers.



Home loan demand rising in mid, high-range segments

Demand for home loans in the mid and high-range segments is on the rise, showed a survey by Magicbricks. It showed that nearly 38 per cent consumers want to take a home loan ranging between Rs 30 lakh and Rs 1 crore.

A total of around 46 per cent of the consumer preference is now in the range of Rs 30 lakh-Rs 1 crore and above category, with most of the demand being generated from the key residential markets of Bengaluru, Hyderabad and Delhi.

The Magicbricks report said that the demand revival can be attributed to several reasons like need for an extra room due to 'work from home' (WFH), reduction in circle rates, stamp duty and low interest rates.

As per the poll, about 20 per cent prospective home buyers are planning to borrow a home loan between Rs 50 lakh and Rs 1 crore and above category.

Due to the recent initiatives by the Central and the State governments, there is a rise in demand for home loans for mid-segment and high range properties.

The market sentiment seems to be well aligned to the demand and reflects the same as consumer search data on Magicbricks Home Loans suggests that the average loan amount searched on the platform is Rs 34 lakh. This augurs well for the industry and indicates that transactions are picking up gradually across all segments of residential real estate.

The survey further showed that most of the demand is being generated from the key residential markets of Bengaluru, Hyderabad, Delhi, Mumbai and Pune.

Besides home loans, loan against property (LAP) and balance transfer seems to be gaining currency in terms of consumer preference.





World Economy

South Korea-based retailer Shinsegae Group has invested an undisclosed amount in Singapore-based ride-hailing giant Grab, media reports said. Shinsegae has invested through its newly formed corporate venture arm Signet Partners.

Recently, it was also reported that Grab will hire around 350 additional employees this year to help it deliver online financial services in Southeast Asia. The new hires will also develop the Singapore ride-hailing operator's digital banking business and support micro-enterprises in their digital transformation.

Ms Tan Hooi-Ling, Grab's co-founder told the media, "We are building products that positively impact millions across South-east Asia, and we want to continue deepening our R&D (research and development) capabilities and push the boundaries of innovation, right here at our strategic base."

Last month, it was reported that Grab is considering listing its shares in a US-based stock exchange this year. Grab could raise around \$2 billion in its initial public offering (IPO), which would likely make it the largest overseas share offering by a Southeast Asian company.

In December, investors of Grab and its rival Indonesia-based Gojek, urged the two giants to merge their businesses. Grab's founder and chief executive, Anthony Tan reportedly emailed his employees to say that Grab was in a position to acquire.

Speculations about a potential merger began at the beginning of last year. Back in March, it was reported that Gojek wanted a 50 percent stake in the merged entity; however, Grab wanted to hold a controlling stake.

Reliance Partners with Google , facebook for digital payment network

India's conglomerate Reliance Industries has partnered with Facebook Inc, Google and fintech player Infibeam to set up a national digital payment network, Economic Times newspaper reported on Saturday, citing unnamed sources.

Last year, India's central bank invited companies to forge new umbrella entities (NUEs) to create a payments network that would rival the system operated by the National Payments Council of India (NPCI), as it seeks to reduce concentration risks in the space.

Set up in 2008, NPCI is a not-for-profit company, which as of March 2019 counted dozens of banks as its shareholders, including the State Bank of India, Citibank and HSBC. It processes billions of dollars in payments daily via services that include inter-bank fund transfers, ATM transactions and digital payments.

Citing three unnamed sources, India's leading business daily Economic Times said that the group led by Reliance and Infibeam was in the advanced stages of submitting their proposal to the Reserve Bank of India.

A spokesperson for Infibeam declined comment on the report, saying the company was bound by the confidentiality of process, while Reliance, Google and Facebook did not immediately respond to a request for comment.

Digital payments in India could rise to \$135.2 billion in 2023, according to an Assocham-PWC India study in 2019.

Facebook and Google are already partnered with Reliance and own stakes in Jio Platforms - the unit which houses Reliance's music, movie apps and telecoms venture.

The RBI this week extended the deadline for all parties to submit NUE applications until March 31 from February 26.

The report said RBI is expected to take another six months to study all the proposals being submitted and that it is not expected to give more than two new "for-profit" NUE licences.

The RBI did not respond to a request for comment.

Earlier media reports have said other parties in the fray include a group led by Amazon and ICICI Bank; another combination led by the country's salt-to-software conglomerate Tata Group and private lender HDFC Bank; and a venture involving India's largest mobile payment platform, Paytm, domestic ride-sharing company Ola and IndusInd Bank.



Value Investing

Value investing focuses on buying undervalued stocks of strong companies and holding them over a long period of time. Learn the basics of value investing and why it's been a success for so many patient, diligent investors

What is value investing?

Value investing focuses on investing in a quality company that you think is undervalued. You make this decision based on strong fundamental analysis.

It's a buy-and-hold strategy. It pays attention to market overreactions to current events and to which companies pay dividends. This leaves some companies undervalued based on their long-term growth potential.

They focus on pricing, too. Intelligent investors only buy a stock when its price is below its **intrinsic value**. The intrinsic value is how you value the company based on your own fundamental analysis. You do this while ignoring the market. In other words, forget what everyone else is saying. Intelligent investors also look for a margin of safety before buying a stock. This means you think there's a gap between what you'll pay for the stock and what you'll earn from the stock as the company grows.

Principles:

1. Do your research

Take time to analyse and understand the company you are investing in before buying any stock. You should understand the following things about the company:

- its long-term plans
- its business principles
- its financial structure
- the team that manages it (the CEO, CFO, etc.)

Value investing places a focus on companies that pay consistent dividends. Why? Mature, profitable companies often pay part of their profits back to their investors. This piece of the profit is called a dividend. Intelligent investors always look past a company's short-term earnings as well. They don't care whether the company is popular in the media or not.

2. Diversify

Ever hear the saying "don't put all your eggs in one basket"? Well, it applies to value investing, too.

Intelligent investors have many different types of investments in their portfolios. This protects them from serious losses. Although value investing has been proven to offer steady annual returns, it's not guaranteed.

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)



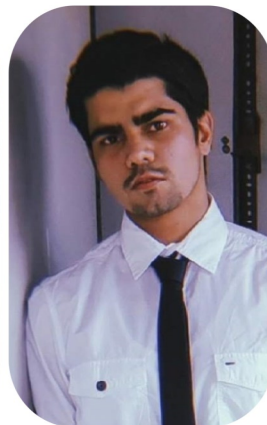
Shubham
Bhattacharya



Joy
Dutta



Megha Poddar



Rahul
Dhankhar



Navin
Srivastava