



MDI
MURSHIDABAD

Management
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FIN-DATE

THE FINANCIAL GAZETTE OF
MDIM



**Weekly financial magazine
for the students of MDIM**



FINODATE

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.



Issue -127

TOP GAINERS

INDEX		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
SENSEX	58191.29	TITAN	2592.85	2730.20	5.20%	2745.00/2675.00
NIFTY 50	17,314.65	POWERGRID	206.30	209.30	1.45%	209.75/204.00
NASDAQ	10,652.40	GRASIM	1683.10	1702.80	1.17%	1702,90/1655.00
DOW JONES	29,296.79	NTPC	162.90	164.80	1.17%	164.85/161.35
		ONGC	132.65	134.00	1.02%	134.25/131.20

TOP LOSERS

CURRENCY		Securities	Previous Closing	Closing Price	Percentage increase	High/Low
• USD/INR	₹ 82.83	TATACONSUM	794.30	781.20	-1.65%	793.90/779.05
• GBP/INR	₹ 91.83	BPCL	312.15	307.50	-1.49%	310.90/306.20
• YEN/INR	₹ 00.57	M&M	1256.90	1240.00	-1.34%	1261.95/1232.95
• EURO/INR	₹ 80.72	ULTRACEMCO	6287.25	6205.55	-1.30%	6307.20/6133.40
		SBIN	537.30	531.00	-1.17%	535.60/526.55

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	STOP LOSS
LARSEN & TOUBRO LTD	Buy	1920.00	2300	1720
RELIANCE INDUSTRIES	Buy	2400	2900	2200
MARICO LTD	Buy	510	610	460

Market Watch

- Airtel rolls out 5G Plus in eight cities, no sim change requires
- World bank downgrades Indian's Economic growth forecast to 6.5% for FY23
- Apollo Hospitals acquires 6-% stake in Ayurveda hospitals chain Ayurveda

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.

FINANCIAL NEWS -NATIONAL

As large private banks raise rates, FDs become more attractive.

Major private banks raised their fixed deposit rates immediately following the RBI's 50 basis point increase in the repo rate, including ICICI Bank, Kotak Mahindra Bank, and Axis Bank. It's possible that other institutions will do the same. This would be the third 50 basis point rise this fiscal year and the fourth repo rate increase overall. Banks have followed the trend by increasing loan and deposit rates ever since the time rate hike tendencies started in May. FDs are now appealing because to their competitive interest rates. Even on FDs, some banks are providing rates that outpace inflation. Having said that, the RBI's rate boost has given depositors a variety of options for how to put their hard-earned money in this traditional account. The most popular and traditional investment options in India are fixed deposits, which are provided by banks, NBFCs, and financial organisations. FDs come with assured returns and are risk-free for investors. They are ideal for people who do not want to incur chances with instruments that are tied to the market.

On October 20, this FMCG, which paid a dividend of 4,000% in FY22, is likely to shock investors once more.

When it comes to providing significant incentives to its shareholders in the form of dividends, Colgate-Palmolive is a dividend king stock. The corporation alone gave its stockholders a total dividend payout of 4,000% in the fiscal year FY22. Its dividend yield right now is about 2.5 percent. This consumer products business is most likely to shock its investors with a dividend for the fiscal FY23 as the second quarter approaches. The value of Colgate shares increased significantly in the second quarter of FY23 and thus far this year. Colgate shares increased by \$20.95 or 1.33% to close at 1600.40 per share on the BSE. The market value of the company is around Rs. 43,528.58 crore. The Dalal Street price of Colgate shares increased by 9.5% during the July to September 2022 quarter. The stock has managed to increase by more than 18% after reaching a 52-week low of \$1,375.55 per share on January 25, 2022. The shares on D-Street have increased by more than 11% so far this year. On September 2, 2022, Colgate stock reached a 52-week high of \$1,695 per share.

RBI intends to heavily utilise AI and ML to enhance regulatory oversight.

The Reserve Bank intends to make considerable use of artificial intelligence, machine learning, and advanced analytics to analyse its massive database and enhance regulatory supervision of banks and NBFCs. The central bank is seeking to engage outside specialists for this purpose as well. While the RBI already employs AI and ML in supervisory procedures, it now plans to build it up so that the Department of Supervision at the central bank may gain from sophisticated analytics. For supervisory exams, the department has been creating and utilising linear and a few machine-learned models. The RBI has oversight authority over banks, NBFCs, payment banks, small finance banks, local area banks, credit information businesses, and a select group of financial institutions across all of India. With the use of on-site inspections and remote monitoring, it carries out ongoing oversight of such businesses.

An Overview of Money Market

Money Market is a financial market where short-term financial assets with a liquidity of one year or less are traded on stock exchanges. There are a variety of instruments traded in the money market in both the stock exchanges, NSE and BSE. These include treasury bills, certificates of deposit, commercial paper, repurchase agreements, etc. Since the securities being traded are highly liquid in nature, the money market is considered as a safe place for investment. The Reserve Bank regulates the interest rates on a variety of financial products. The money market has lower levels of risk because the majority of the instruments have a maturity of one year or less.

Objectives of Money Market:

Due to the short duration of the assets in the money market, lenders will also benefit from liquidity as the securities. It also helps lenders to effectively invest their idle cash. Both the lender and the borrower profit in this approach. The money market is governed by RBI. subsequently aids in controlling the economy's level of liquidity. Most organizations might be short on their working capital requirements. The money market facilitates such organizations to have the required funds to meet their working capital necessity. It is a significant source of funding for both domestic and foreign commerce in the public sector. This thereby gives the banks an opportunity to deposit their surplus funds.

Importance of Money Market:

It keeps the supply and demand for financial transactions made in the market in balance for a duration of six months to a year. It provides capital for firms to expand and is therefore accountable for the expansion and advancement of the economy. It assists in putting monetary policy into action. It supports the growth of the nation's economy and industries. It provides operating cash through a variety of money market products. It promotes domestic and international trade. Long-term interest rates are impacted by short-term interest rates. By controlling interest rates, the money market mobilises resources for the capital markets. It facilitates the operation of the banks. It determines the banks' statutory liquid ratio and cash reserve ratio. In order to keep the market's supply of money stable, it also invests their surplus cash in short-term assets. The government can generate short-term financing with the use of instruments like T-bills. If not, the government will have to borrow money or increase currency printing, which will cause the economy to experience inflation. As a result, it also has power over inflation.

Disadvantages:

Without a doubt, the interest rate is larger than that of savings accounts. The rising rate of inflation in the economy, however, is not accounted by the interest rate. While other instruments like mutual funds provide a better return on long term investment. Therefore, money market instruments are not the best option if the investing goal is to achieve capital growth with returns that beat inflation.

GLOBAL FINANCIAL AFFAIRS

Worldwide, 140 organizations ask the IMF to release \$650 billion to aid poor countries

The International Monetary Fund was contacted by some 140 organizations from around the world requesting that it issue at least \$650 billion extra in reserves to assist its member countries in coping with "several historic, overlapping, and usually intensifying problems."

The groups wrote in a letter to the IMF's board of governors and executive board on Thursday that increasing the allocation of special drawing rights, or SDRs, the IMF's reserve assets, "would immediately make hundreds of billions of dollars available to nearly all low- and middle-income IMF member countries without debt or conditions and only requires political will on the fund's board."

The world's most financially fragile nations, from Argentina to Ukraine, have exhausted the additional IMF reserves they received last year, boosting calls for a new injection to assist them whether rising interest rates and food and fuel costs. As a result, pressure is mounting on the IMF to take action. In order to help countries deal with the effects of Russia's invasion of Ukraine, important Democratic legislative allies asked President Joe Biden's administration to endorse a new infusion of cash at the IMF in July.

There are 345 million people who are severely food insecure, more than twice as many as in 2019. — with rising interest rates making it more difficult for countries to repay their debt in dollars as the dollar gains strength, widespread rage is causing instability in many countries and has even resulted in the removal of governments in places like Sri Lanka.

The WTO cautions that the already "darkened" trade situation could get worse in 2023.

According to WTO Director-General Ngozi Okonjo-Iweala, the risks for next year are unquestionably negative.

This year, better data that arrived in the middle of the year helped forecasts become clearer. Additionally, trade volumes from Middle Eastern oil and gas producing nations increased as consuming nations turned away from Russian supplies and looked other alternatives, according to WTO experts.

The WTO listed a variety of factors affecting trade, such as rising energy costs as a result of Russia's conflict in Ukraine, which led a number of nations, notably members of the European Union who are major users of Russian oil and gas, to impose economic sanctions on Moscow.

"The world economy is currently experiencing a multifaceted crisis," Okonjo-Iweala remarked. Growth is being hampered by monetary tightening in many parts of the world, including the US. Energy costs are out of reach for individuals and businesses across Europe. Additionally, COVID-19 outbreaks in China continue to disrupt business as usual.

Stablecoins

When we think of cryptocurrencies, “ stable “ probably isn’t the first thing that comes to mind. In the volatile world of digital assets, prices can go up or they can go down, often dramatically. Stablecoins aims to achieve the opposite effect and maintain a constant value by offering investors a haven from the intense price fluctuations of bitcoin and other tokens. The collapse of one so-called stablecoin known now as terraced has shaken investors’ faith in crypto. It also set off an alarm bell for global regulators, who worry the phenomenon may hold a much broader risk to the financial system.

What are stablecoin exactly:

Stablecoins are cryptocurrencies where the price is designed to be pegged to a reference asset. The reference asset may be fiat money, exchange-traded commodities, or cryptocurrency. In essence, stablecoins are cryptocurrencies whose value are pegged to an existing asset, most often the U.S.dollar, though there are other tied to the euro and gold too. They’re sort of like casino chips for the crypto world, traders buy tokens like tether or USD coins with real dollars. Those tokens can then be used to trade bitcoins and other cryptocurrencies. And whenever someone wants to cash in, they can get the equivalent amount of dollars for however money stablecoins they want to redeem.



Importance of stablecoins to the crypto market:

For any financial market to be efficient, it needs to be liquid, there needs to be a lot of trading going on, and it needs to be functioning smoothly. The problem is that transferring from fiat currencies like dollars into crypto is a hassle, it costs money, and it takes time. Stablecoin solves that problem by allowing us to transfer an amount of fiat currency into an equivalent number of tokens and then those tokens can quickly and cheaply be traded in and out on the exchanges. It makes a world of difference.

Stablecoin is in two different types: the easiest to understand of those are the ones that are simply backed by, say, dollars. So we have an equivalent amount of dollars in a bank account somewhere, or things that are mostly the same as dollars like treasury bills. The other type is the algorithmic stablecoins. What they tried to do, was get around the problem of needing tons of collateral, loads of dollars in a bank. As pressure is put downwards on UST through the mechanisms that work to try and stabilize it the price of Luna is kind of forced slowly downwards and whilst most of the time that system actually kind of works, okay and it stabilizes the currency in an extreme situation like this one, what happens is it becomes a vicious circle where UST has got pressure on its peg, it’s becoming worth less than \$1, the price of Luna falls further and in the efforts to try and shore up UST, the price of Luna falls even further, which scares the hell out of people and makes them start selling like crazy.

Image source- <https://www.pcmag.com/how-to/better-than-bitcoin-stablecoins-explained>

IPO Watch: Electronics Mart India



What's on your shopping list for this festive season? With restrictions completely lifted, many seem to be flocking towards electronic goods stores and outlets. After two pandemic-hit years, consumer durable makers are expecting robust festive sales. Against this backdrop, Electronics Mart India is planning to hit the bourses.

It is the fourth largest consumer durable and electronics retailer in India. And, in the Southern region, it is the largest player in terms of revenue with a dominant position in Telangana and Andhra Pradesh.

As of 31 August 2022, it had 112 stores across 36 cities. These stores are operated under the brand names – Bajaj Electronics, Electronics Mart, Kitchen Stories and Audio & Beyond. From air conditioners to televisions and mobiles to washing machines – the company's stores offer a diverse range of products.

After building a strong market presence for more than three decades, the company is now planning to raise money for further expansion through the Electronics Mart India IPO. The money raised through the fresh issue of the Electronics Mart India Ltd IPO will be used for expanding the store and warehouse network.

The IPO proceeds will also be deployed for paring debt and funding incremental working capital. Here are the key details about the Electronics Mart India IPO:

Company Name	Electronics Mart India Limited	Company Type	Private
Founder's Name	Pavan Kumar Bajaj	Company Established On	1980
IPO Opening Date	4 October 2022	IPO Closing Date	7 October 2022
IPO Allotment Status	12 October 2022	Credit of Shares to the Demat Account	13 October 2022
IPO Listing Date	17 October 2022	IPO Face Value	Rs. 10 per share
IPO Lot Size	254	IPO Issue Size	₹ 500 Crores
IPO to be Listed on	BSE,	IPO Price band	₹ 56-₹59 per share

Financial snapshot

Particulars	FY 20	FY 21	FY 22
Revenue	₹ 3,172.4 crore	₹ 3,201.8 crore	₹ 4,349.3 crore
Net Profit	₹ 81.6 crore	₹ 58.6 crore	₹ 103.8 crore

GOVERNMENT SECURITIES

Government Security is a tradable instrument issued by the central government or the state government. G-Secs carry usually no risk of default and therefore are called risk free gilt edge instruments.

G-Secs are issued through auctions conducted by RBI on the electronic platform called E-Kuber the CBS (Core Banking Solution) platform of RBI.

The members of this platform are commercial banks, scheduled urban cooperative bank, primary dealers, insurance companies and provident fund, foreign portfolio investor also participate in this market. Now a retail investor can also participate directly in the government securities market.

Government Securities are majorly classified in four categories :

1. Treasury Bills – Short term debt instruments for a maturity of less than one year. T-bills are Zero Coupon Securities and pay no interest. They are issued at a discount and redeemed at the face value at maturity.
2. Cash Management Bills : Again a short term instrument and are issued for maturities less than 91 days.
3. Dated Securities : Have a tenor of more than one year upto 40 years and can be of different categories such as fix rate bonds, floating rate bonds, inflation indexed bonds, special securities, bank recapitalisation bonds, Sovereign gold bonds.
4. State Development Loans : State government also raise loans from the market which are called as SDLs with the maturity more than one year SDLs issued by the state government also qualify for SLR.

All the four types of Government Securities are traded in the G-Secs market. Since the maturity of dated securities and state development loans are more than a year these government securities are also traded in Capital Market like BSE/NSE. Since the maturity of Cash Management Bills and Treasury Bills are less than one year, these Government Securities are traded in the Money Market.



INTO THE SPHERE OF COGNITIVE BUSINESS

In an effort to benefit from the cost reductions, agility, and cooperation made possible by cloud, analytics, mobile, and social technologies, many insurance businesses are quickly implementing digital transformation. Despite all the advantages of automation and digitization, businesses still find it difficult to adapt swiftly to changing market conditions and disruptive forces and scale the advantages across the entire organization. Business imperatives are obvious: Companies are always improving their business models to boost profitability, revenue, or customer proximity; innovate, and outperform rivals and new market entrants.

Executives are starting to realize that digital is not the end goal but rather the starting point of a far more significant transition. The need to include decision intelligence into insurance products and processes, multichannel customer contacts and higher expectations from digitally enabled consumers are all driving this shift. A new business model that fuses digital business with digital intelligence, leading to the idea of a Cognitive Business, has gained steam as insurance firms race toward digital competence.

What exactly do we mean by cognitive applications then? Cognitive applications build on what either humans or machines could do on their own by learning from and interacting naturally with people. By navigating the complexities of big data in all its forms and varieties, they assist human specialists in reaching better conclusions. Deep learning and machine learning, natural language processing, reasoning and inference, and semantic contextual understanding are the technical underpinnings of cognitive applications, which also draw on pertinent knowledge and incorporate in-depth subject matter expertise. This serves as the fundamental building block for cognitive applications that incorporate the capacities of understanding, reasoning, learning, and interacting with a range of variables.

By utilizing cognitive applications' and artificial intelligence's capabilities, these businesses are progressing from the "So What?" stage to the "Now What?" stage. Insurance companies are defining the vision and roadmap to move from a "Foundationally Intelligent Insurer" to a "Incrementally Intelligent Insurer" and then onto a "Institutionally Intelligent Investor" by experimenting with identifying use cases and integrating Cognitive/AI capabilities into enterprise operations. A capability roadmap and strategic, functional, and technological capabilities and enablers are necessary for this trip.

Identification of use cases and business cases, data and analytics fundamental activities, IT/Cloud infrastructure capable of managing cognitive workloads, Security, and Governance are all strategic skills for a cognitive business. Cognitive Engagement, Cognitive Products and Services, Cognitive Process and Operations, Knowledge and Expertise Management, and Cognitive Data Exploration and Discovery are all functional enablers for a cognitive business. An insurance company can progress methodically toward becoming a Cognitive Business by combining Strategic, Technical, and Functional competencies using a Capability Development Roadmap.

TEAM FINARTHA

THE FINANCE CLUB OF MDIM

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BATCH 2021-23 & 2022-2024



SHREYAS TEWARI



MOHAMMAD TABISH



SHUBH TANEJA



SHIVANI TRIPATHI



ADARSHA NAMAN



CHIRAG SHARMA



ELIZABETH REJI



YADUKRISHNA MR



PRAGASH RUPAN



RAGHBENDRA JHA



ANUNAY CHOUDHARY



HARSHIT VIISHWAKARMA