



MDI
MURSHIDABAD

Management
Development
Institute

FIN-O-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 - 122

TOP GAINERS

INDEX

SENSEX	58803.33
NIFTY 50	17,539.45
NASDAQ	11619.60
DOW JONES	31414.52

Securities	Prev closing	Closing Price	Percentage increase	High/Low
ITC	317.60	323.35	1.81%	323.35/318.05
ADANI PORTS	837.80	852.75	1.78%	852.75/838.05
HDFC	2404.00	2440.00	1.49%	2440.00/2381.00
LT	1912.95	1940.00	1.41%	1958.80/1900.25
KOTAK BANK	1902.85	1920.00	0.90%	1929.00/1904.40

TOP LOSERS

CURRENCY

- USD/INR ₹ 79.973
- GBP/INR ₹ 91.80
- YEN/INR ₹ 0.57
- EURO/INR ₹ 79.44

Securities	Prev closing	Closing Price	Percentage increase	High/Low
BPCL	331.35	321.70	-2.91%	334.10/320.50
SHREECEM	21586.15	21,100	-2.25	21607.80/21011
HINDALCO	421.95	414.70	-1.75	425.20/413.25
HEROMOTOCO	2876.65	2828	-1.69	2889/2820.10
ONGC	134.70	132.60	-1.56	135.75/132.30

TAKE-O-TRADE

SPOT	SIGNAL	TAKE AT	TARGET 1	STOP LOSS
NHPC LIMITED	Buy	38.00	44.00	34.00
COCHIN SHIPYARD	Buy	360	425.00	327.00
ASIAN PAINTS	Buy	3435.00	3740.00	3190.00

Market Watch

- ITC regains Rs 4 lakh crore m-cap after 5 years
- Indian markets likely to continue tracking global peers

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 .

NATIONAL FINANCIAL NEWS

Adani overtakes Musk and Bezos as the third-richest person in the world says, Bloomberg.

Just a few years ago, Gautam Adani was mostly unknown outside of India. The Indian billionaire, who dropped out of college and tried his luck as a diamond trader before to

coal, is now the third-richest person in the world. It's the first time an Asian has entered the top three of the Bloomberg Billionaires Index; Jack Ma of China and fellow citizen Mukesh Ambani have never done so. He has a worth of \$137.4 billion. Adani has invested in everything from data centres to cement, media, and alumina over the past three years to develop his coal-to-ports empire. The group today controls the largest private-sector coal miner, city-gas distributor, and operator of ports and airports in India. Environmentalists have attacked the company's Carmichael mine in Australia, but it promised in November to invest \$70 billion in renewable energy to become the greatest generator in the world.

Asia Pacific's effort to combat extreme poverty is delayed by a pandemic by two years-ADB.

According to an ADB report, if COVID-19 had not occurred, Asia Pacific may have reduced severe poverty to a level that is feasible in 2020, allowing more people to living conditions from live on less than USD 1.90 per day. Extreme poverty is defined as living on less than USD 1.90 (approximately Rs 152) per day. According to the most recent Asian Development Bank assessment, the COVID-19 pandemic has delayed the fight against poverty in Asia and the Pacific by at least two years (ADB). The multilateral funding organization with its headquarters in Manila predicted that it would be more difficult than ever for many people to escape extreme poverty in the Asia Pacific region.

Starbucks announces its next CEO.

The world's largest coffee corporation, Starbucks, said on Thursday that Laxman Narasimhan, who is of Indian descent, has been named as the organization's next CEO. He will start working at Starbucks on October 1 in place of Howard Schultz. According to The Wall Street Journal, Starbucks chairperson Melody Hobson claimed that the business is certain that Narasimhan will be a great CEO because he is a proven leader. "For the benefit of the incoming CEO, Schultz has been asked to serve as interim CEO through April 2023. Beginning April 1, Narasimhan will start serving as CEO. In terms of both locations and sales, he will take over the biggest coffee business in the world "According to a remark from Hobson in The Wall Street Journal.

Source of image

1. gqindia.com
2. The Hindu Business line

The Volatility of Cryptocurrency.

The rise of cryptocurrencies in 2017 was a spectacular phenomenon. Numerous cryptocurrencies saw their values rise to new highs. Many regarded this as a brand-new chance to get rich quickly. Apps like Robin Hood and PayPal enabled people to invest in cryptocurrencies. Greater awareness about cryptocurrency and a greater availability of capital through stimulus checks or low interest rates was present and this is what led up to the price being so high. While investing in new technology, a more volatile asset, greater risks with greater returns can be seen. But many ignored the greater risks. The company Celcius became the third major crypto firm in two weeks to file for bankruptcy. The larger economic downturn played a role in what caused the latest crash. And secondly, a number of cryptocurrency businesses have lately filed bankruptcy. Out of which many of these businesses took on too much risk, which caused them to implode as the price fell.

Cryptos and Crash Market: What is Happening?

The best year to invest in cryptocurrencies was 2021. Despite the fact that Bitcoin's market capitalization peaked at \$3 trillion in November 2021 when it reached an all-time high of \$69,000, However, the present year 2022 turned out to be less advantageous. Cryptocurrencies fell below \$2 trillion in January 2022, and from that point on, everything went downhill, with the exception of a minor rebound in April. The markets for cryptocurrencies hit a new low of 2022 in June. The value of the global crypto market has fallen to \$977 billion, below the \$1 trillion level. Since their all-time highs, coin prices have decreased by 50% to 70%. Other tokens, such Dogecoin, Avalanche, and Solana, have suffered even greater losses, with some losing as much as 90% of their value. As of today, the total market cap for crypto is \$860 billion.



Reasons for Crypto Crash

The crypto market crash of 2022 was a proper storm of unfortunate circumstances. The market crash was caused by a number of events, including global inflation, the Terra-Luna crash, and an increase in interest rates by the US Federal Reserve to control inflation. Russia and Ukraine's wars contributed to the perfect storm that wiped out the cryptocurrency market. In January 2022, the Russian central bank suggested outlawing cryptocurrency mining and usage. This was because of the numerous hazards to financial stability and potential harm to the welfare of residents they posed. The cryptocurrency market is frequently connected to the stock market, so if equities are in a decline, you'll probably observe a similar movement in the price of cryptocurrencies. India has not yet introduced a cryptocurrency bill. It aims to outlaw the use of any private cryptocurrencies in the nation. Additionally, the nation has imposed a 30% tax on cryptocurrency investors and a 1% TDS on each intra-crypto trader. However, neither has India legalised nor regulated cryptocurrencies.

Source of Image: trustetc.com

GLOBAL FINANCIAL AFFAIRS

Inflation in Italy surges by 8.4% to reach a 37-year high in August

According to data from Italy's National Institute of Statistics (ISTAT), prices rose 8.4% in August compared to a year earlier, the highest level since December 1985. According to preliminary ISTAT data released on Wednesday, prices were 0.8 percent higher in August than they were in July. According to ISTAT, the primary driver of the increase was energy-related commodities, which saw year-over-year growth of 44.9 percent, higher than the July gain of 42.9 percent.

Italy's annualized inflation rate for the three months that began in June was 8 percent, 7.9 percent, and 8.4 percent, respectively. These are the three highest monthly totals recorded since the official launch of the euro in 1999. Despite growing energy costs, the rate of growth for transportation services slowed significantly in August, expanding by 8.4% over the previous year, down from the 8.9% annualized growth recorded in July. According to ISTAT, the cost of consumer goods increased by 11.8 percent, while the cost of services increased by 3.7 percent. The core inflation rate, which does not include energy costs or the price of cyclical consumer products like food, was 4.4 percent, which was a record high since May 1996. Comparing the first eight months of this year to the same time in 2021, there has been a cumulative inflation rate of 7%.

Amid China's slowdown, Asian manufacturing hubs see a dip in demand

As concerns about the global economy increased and China's downturn weighed on the region, demand in Asia's largest factory hubs continued to decline in August. According to S&P Global, the purchasing managers' index for Taiwan dropped to 42.7 from 44.6 in July, its lowest level since May 2020, and the index for South Korea dropped to 47.6 from 49.8, its lowest level since July 2020. Japan's reading dropped from 52.1 to 51.5. The situation elsewhere in the region was complicated. The PMI for Malaysia dropped to 50.3 from 50.6 while rising in the Philippines, Indonesia, and Thailand. Anything above 50 implies an expansion, whereas anything below 50 indicates a contraction.

The world's two largest economies are moving in opposite directions, and central bankers are continuing their race to raise interest rates and combat inflation. The figures add to the highly uncertain climate for the global economy. Through data on July exports, many of China's regional trading partners were already experiencing the negative consequences of weak Chinese consumer demand, however, Southeast Asian countries displayed some resilience with shipments of necessities.

Web 3.0 Future Internet & The Impact On Fintech

Web 3.0 has become one of the most talked about digital trends of the decade, we may be wondering what exactly web 3.0 is and how will it shape the Fintech Industry. Can financial companies leverage the changing internet landscape to future-proof their business models?

Web 3.0 is the third generation of the internet services for websites and applications that will focus on using a machine-based understanding of data to provide a data-driven and Semantic web, the ultimate goal of web 3.0 is to create a more intelligent connected, and open website instead of users interacting directly with web page and application. Darts on web 3.0 is much more interconnected, not only do users interact with applications.



If we break it down to the history of the web, Web 1.0 was the first generation of the internet it is a one-way street where the information flowed from the website to the user navigation was not easy but altogether breakthrough for its time. After a fast forward of 10 years and we transition into web 2.0, which unlike web 1.0 was a two-way street of information with the user becoming an active participant in creating content on the web, it can also be called participative social web and is the current web version we use today. There is speculation about when web3.0 will be transitioned, but it is expected to take just as long as the transition from web 1.0 to web 2.0 which was 10 years if not longer to fully implement and reshape the web with web 3.0. web 3.0 is an internet where all devices in our lives are continuously connected and communicating with each other.

Blockchain does it make trustless data verification possible, what this means is that we no longer have to trust banks to make sure your accounts are accurate. Instead, a decentralized network proves that all account balances are accurate. This type of encryption method can preserve privacy even if data is stored in an open network blockchain technology allow secure ownership and sharing of data. The fintech industry is yet to board to web3.0 train in a fully-fledged manner. Emerging fintech companies have already started using machine learning. Companies like affirm, kabbage&Bloomberg, and the lending club is leveraging the power of the intellectual web to disrupt financial services in different areas like fraud detention, lending, wealth management, payment, and bills remainders.

The new generation of web 3.0 is more connected and intelligent enough to think outside of the box to understand the user's context call it personalized as the combination of user experience with smart agents can now allow small and big fintech companies in delivering personalized financial services with less human interaction. Open financial protocols that anyone with an internet connection can access could revolutionize how we interact with financial services for example investors can lend directly to borrowers via decentralized peer-to-peer lending pools using digital currency. This enables anyone across the globe to access funding while providing new opportunities for investors to earn yield. The new digital financial trends born out of web3.0 could result in increased efficiency for financial service companies that are willing to embrace decentralized technologies and provide access to new customer segments that were previously difficult to reach.

Source of Image: Forbes.com

IPO WATCH : TAMILNAD MERCANTILE BANK



Set up in **1921**, Nadar Bank meant to serve the financial necessities of the Nadar people group in Tamil Nadu's Tuticorin. Not with standing, it was renamed as Tamilnad Mercantile Bank in **1962**. Furthermore, from that point forward, it has developed quickly. Today, it is a main old confidential area bank in India with a background marked by very nearly 100 years.

Throughout the long term, the bank's process has been damaged with meeting room fights, legitimate tussles and open contentions. Notwithstanding these difficulties, the bank has fabricated areas of strength for an in Tamil Nadu. Other than Tamil Nadu, it is likewise present in 15 different states and four association regions. Generally speaking, the bank has 509 branches and its client base is roughly 50 lakhs. Of that, around 80% of its clients have been related with it for over five years. While the bank's stores remained at ₹ 44,930 crore, its advances were at ₹ 33,490 crore, as of March 2022

What's more, presently this moneylender is good to go to send off the Tamilnad Mercantile Bank IPO. The Tamilnad Mercantile Bank Service Ltd IPO will be a mix of a proposal available to be purchased and a new issue. The cash raised through the new issue will be utilized for enlarging the bank's level I capital base.

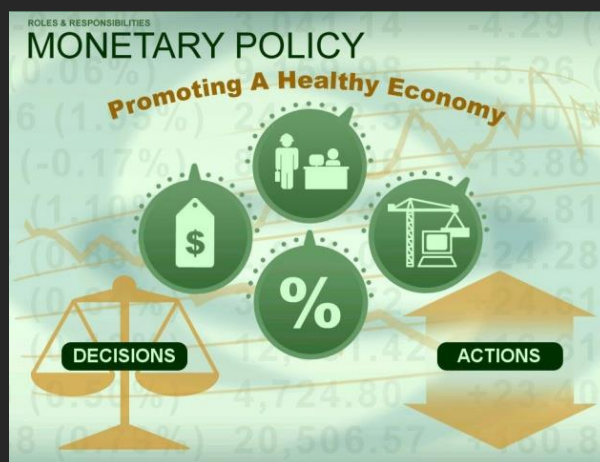
Here are the vital insights regarding Tamilnad Mercantile Bank IPO

Company Name	Tamilnad Mercantile Bank Limited	Company Type	Private
Founder's Name	T.V. Balagurusamy Nadar	Company Established On	11 May 1921
IPO Opening Date	5 September 2022	Closing Date	7 September 2022
IPO Allotment Status	12 September 2022	Credit of Shares to the Demat Account	14 September 2022
Listing Date	15 September 2022	Face Value	₹ 10 per share
Lot Size	28 Shares	Issue Size	₹ 832 crore
To be Listed on	NSE, BSE	Price band	₹500 - ₹525 per share

Financial Snapshot

Particulars	FY20	FY21	FY22
Net Interest Income	₹ 1319.5 crore	₹ 1537.5 crore	₹ 1815.2 crore
Net Profit	₹ 407.6 crore	₹ 603.3 crore	₹ 821.9 crore

Qualitative tools of Monetary Policy



In the previous edition of Finodate, we covered quantitative tools of monetary policy. In this article, we will cover qualitative tools. These tools play a vital role in the economy. RBI uses these tools to regulate the credit that perpetuates economic instability. The credit flowing through the commercial banking system is not dealt with by these tools. Some of these tools are Moral Suasion, Direct Controls, Rationing Credit, Consumer Credit Regulations, and Prescription of Margin. Let us understand these tools.

Moral Suasion – This is used by RBI to distribute a significant amount of bank credit to the sectors which need re-balancing. Using the harmonious relations that RBI has with the commercial banking system it tries to convince banks to allocate funds to priority areas. Implementation of the National Credit Plan was an effective moral suasion policy of RBI.

Direct Controls – This tool is used by RBI to impose an effective restraint on the outcomes of the commercial banking system. This is a very severe measure adopted by RBI to create a “Shock Effect” when the conventional approach of the market measures fails to control the imbalanced monetary situation.

Rationing Credit- Assignment of credit for different businesses is called Rationing of Credit. It “checks and balances” the flow of credit for a particular sector of the economy.

Consumer Credit Regulation – During inflation or deflation, the RBI keeps in check the prices of consumer goods. This fixes the down payment, installment amount, loan duration, etc, and helps in checking the credit use.

Prescription of Margin – RBI fixes the margin of credit which means a change in loan size. This is used for needy sectors like agriculture. If RBI feels this sector needs more infusion of credit it will prescribe a margin, let us say 80% of the loan can be provided to the sector. This is done by the RBI when the proportion of credit cannot be financed by traditional banking.

DIGITAL MONEY IS HERE TO STAY

In payments, like in every other sector, technological advances have drastically modified the way businesses and customers perceive transactions. People have actively looked for a convenient method of cashless payments in a coherent and sophisticated way. While we enjoy the feel of cash at hand, India is nonetheless on the road to currency digitization. Innovation and digitization have paved the way to a futuristic world we wouldn't have imagined otherwise. The Reserve Bank of India(RBI) has planned to introduce a digital currency around March 2023, which shall be at the end of the current financial year. The currency will have all the features that come with cash but in a digital mode.

We have witnessed how within a few years, cryptocurrencies have grown exponentially with the potential to disrupt the global financial market. Government officials have also expressed their concern over the stability of digital currencies. However, central bank digital currency (CBDC) will be different from Bitcoin, Ethereum, and all other cryptocurrencies, which are not sovereign currencies in most countries, including India, because they are not authorized means of payment and do not have legal backing. A digital currency from a central bank in contrast is backed by a sovereign nation. Even if something goes wrong the holder of the currency has confidence that the value of that currency will be available to him at all times.



In recent years, India's retail payment system has grown more sophisticated and been operating on a much larger scale. The system includes several payment methods like online wallets and card companies. The industry has boomed because it provides a lot more options to customers. The Unified Payments Interface (UPI), which is an instant real-time payment system that facilitates interbank peer-to-peer and person-to-merchant transactions. The QR-code-based system which was developed by the National Payments Corporation of India, the umbrella organization for operating retail payments and settlement systems created by the Reserve Bank of India and the Indian Banks' Association.

One of the most exciting prospects about digital currency is the faster flow of money. The speed with which money turns over in the economy is a measure of an economy's dynamism. The greater the velocity, the greater the economic growth.

If India wants to become a global superpower, the faster the movement of money the better, and if speed is the goal, digitization is the route. The coming digital currency from India's central bank will be a major step in that direction. After witnessing all of the Internet fads over the years, we believe this isn't one. Our future holds dealing in digital currencies soon.

Image credit : adda247 , NDTV .

TEAM FINARTHA

THE FINANCE CLUB OF MDIM

Issue-121 Date-28 August 2022



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

FINODATE