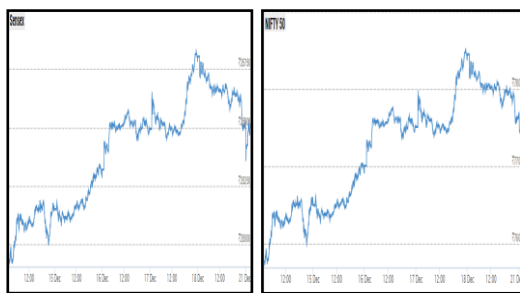


# THE FINANCIAL EDGE

21<sup>st</sup> December, 2015



For the week ended December 18, 2015

### Closing value as on 18-12-2015

Index	Value	% change
Sensex	25519.22	1.90
Nifty	7761.95	1.99
Nasdaq	4923.08	-0.21
Nikkei	18685.39	0.16
Straits Times	2834.66	0.48
Hang Seng	21685.65	1.03
FTSE 100	6052.42	1.67
DAX	10608.19	2.59
Shanghai Composite	3578.96	4.20

### Closing value as on 18-12-2015

Commodity	Value	% change
Gold (Rs./10 grams)	25082.00	-2.32
Silver (Rs./KG)	33933.00	-0.15
Crude Oil (Barrel)	2402.00	-0.04
Aluminium (Rs./KG)	99.60	-0.35
Copper (Rs./KG)	313.30	-1.71
Nickel (Rs./KG)	580.90	-1.39
Zinc (Rs./KG)	99.75	-3.72
Natural Gas (Rs./MMbtu)	117.40	-12.58

### Market Briefing

Domestic equity markets registered their biggest weekly gains in more than two months after the US Federal Reserve raised interest rates without any disruptions to global markets. Other factors such as rupee appreciation and value buying at lower levels also supported market sentiments for the week ended December 18. This week, the BSE Sensex and NSE Nifty gained 1.90% and 1.99%, respectively. For the week ended December 18, BSE Sensex advanced 474.79 points to 25,519.22, while NSE Nifty gained 151.50 points to 7,761.95. All the sectoral indices on BSE ended in green this week. The BSE Metal index surged the most — 4.07%, followed by BSE Power index (up 3.39%), BSE Realty index (up 3.06%), BSE Healthcare index (2.36%) and BSE Oil & Gas index (up 2.32%). Adani Ports (up 8.25%), Tata Steel (up 6.25%), Power Grid (up 5.82%), YES Bank (up 5.80%) and Kotak Mahindra Bank (up 5.65%) jumped the most in the Nifty pack. Share price of Tech Mahindra, Wipro and Axis Bank slipped 2.56%, 2.33% and 1.77%, respectively, during the week. According to the website of NSDL, foreign institutional investors or foreign portfolio investors remained net sellers in the equity market segment as they sold shares of worth Rs 657.36 crore in the week. Rupee appreciated 0.54% during the week. It moved to 66.42 on December 18 from 66.78 on December 11.

### Buzzing News for the week

#### Domestic

- ✓ Consumer inflation rises to 5.41% in November
- ✓ Domestic MFs buy shares worth Rs 69,000 cr; FPIs just Rs 15,000 cr
- ✓ Exports drop 24% in November, imports shrink too
- ✓ FDI in services rises 20% to \$1.46 bn in first half of FY16
- ✓ Fitch retains India's rating, says growth will continue
- ✓ Govt lowers GDP growth forecast for FY16 to 7-7.5%, inflation to be 6%
- ✓ Govt sells \$5 bn of PSU shares in 2015, readies 2016 pipeline
- ✓ Housing prices up 13.7% in July-Sep quarter: RBI
- ✓ India better placed than peers over US rate hike: Fitch
- ✓ WPI inflation at -1.99% in November as food prices rise

#### International

- ✓ Bank of Japan unveils surprise expansion of stimulus
- ✓ China's yuan weakens on fresh 4-1/2 low midpoint, more depreciation seen
- ✓ Fed hikes interest rate by 25 bps, ends zero-rate era
- ✓ Moody's cuts 2016 oil price outlook by \$10 to \$43 for Brent
- ✓ United States lifts 40-year-old ban on oil export
- ✓ US jobless claims fall; current account deficit widens

## Mutual Fund Debt Schemes

Liquid Plus Funds – Inst	NAV	1 Week	AUM (Cr.)	Floating Rate – Short Term	NAV	1 Week	AUM (Cr.)
DSP BLACKROCK - MONEY MANAGER FUND INS PLAN (G)(SUSP)	2066.33	5.92	1924	HDFC - FR INCOME FUND STP (G) (SUSP)	24.75	6.73	3132
KOTAK - TREASURY ADVANTAGE FUND (G)	23.60	5.76	4246	BIRLA SL - FRF STP (G)(SUSP)	242.66	7.34	3097
ICICI PRU - FLEXIBLE INCOME PLAN REG (G)	279.15	6.31	14022	CAN ROBECO - SAVINGS PLUS STP REG (G)	23.03	7.27	428
RELIANCE - MONEY MANAGER FUND (G)	2025.17	5.43	10940	SBI - SAVINGS FUND REG (G)	22.94	6.12	1233

*"The time of maximum pessimism is the best time to buy and the time of maximum optimism is the best time to sell."*

*- John Templeton*

## Deals

INVESTORS	INVESTEES COMPANIES	TYPE	SECTOR	SIZE (US\$ MN)
ASK Property Investment Advisors	Rajesh Lifespaces Private Limited	PE	Real Estate	59.44
SAIF Partners,Others	Rivigo	VC	Transport & Logistics	30.00
Matrix Partners India,Qualcomm Ventures,Vertex Venture Management Pte Ltd,ru-Net,Amazon Inc	Housejoy	VC	IT	24.43
Sequoia Capital India,Blume Ventures,Others,Uniqorn Ventures	Chillr	VC	IT	07.00
Accel Partners,RB Investments	CapriCoast.com	VC	IT	03.50
Infosys Limited	Whoop Inc	VC	Healthcare	03.00
Sanjay Mehta,Other,Chicago Capital Ventures	Blubirch	VC	IT	02.00
Puneet Dalmia	JetSetGo Aviation Services Private Limited	VC	Travel & Leisure	01.90
Naveen Tewari,500 Startups,Allen Blue,John Katzman,Kartik Hosanagar,Blue Fog Capital	Springboard	VC	Education	01.70
Unilazer Ventures,India Quotient Investment Trust	MeraDoctor	VC	Healthcare	01.00
Rajan Anandan,Zoya Akhtar,Reema Kagati,Amrish Kumar,Hrishikesh Parandekar	L Fast Brands Private Limited (Weddingz.in)	VC	Events and Entertainment	01.00

## Mergers & Acquisitions

### German insurer Ergo hikes stake in HDFC Ergo by 22.9% for Rs.1,122-Cr

German insurer Ergo is to increase its stake in its Indian general insurance JV HDFC Ergo, by 22.9% (from 25.84% to 48.742%), by paying INR 1,122 crore to JV partner HDFC. The per share price for the deal was at INR 90.973 per share. Publicly listed HDFC's stake in the company will come down from 73.634% to 50.732%. For FY15, HDFC Ergo had Gross Written Premium of INR 3,257 Cr; Total Income of INR 1990.66 Cr; PAT of INR 104 Cr and Networth (as on March 31, 2015) of INR 999.59 Cr.

### HUL to acquire hair care brand Indulekha for Rs.330-Cr

Publicly-listed FMCG company Hindustan Unilever Ltd (HUL) has signed an agreement with Mosons Group to acquire hair-care brand Indulekha for INR 330 crore. HUL will also pay "deferred consideration of 10% on the domestic turnover of the brands each year" for five years starting FY18. The deal includes trademarks Indulekha and Vayodha, intellectual property, design and knowhow. Launched in 2009, Indulekha had a turnover of INR 1000 Cr and an EBITDA margin of around 30% for FY15. It has a strong presence in Kerala, Tamilnadu and Karnataka and has recently expanded into Maharashtra.

### K Sera Sera Digital, United MediaWorks to integrate ops

K Sera Sera Digital Cinema and United MediaWorks are to integrate their operations and technology. Post-merger across content, technology and operations, the new venture will serve their existing 600 digital cinema theatres across the country. Both companies plan to invest Rs. 100 crore over the next two to three years. This investment will be used to build scalable digital cinema technology and on-ground servicing, while assisting in digital content security and distribution of the films.

### LIC Housing Fin to buy 19.3% from Nomura in Mutual Fund JV for Rs.27-Cr

LIC Housing Finance is to buy 19.3% stake from Japan's Nomura in LIC Nomura Mutual Fund for INR 27.3 crore. The fund joint venture managed assets worth INR 11,157 crore as on September 2015. Nomura is selling the stake at a loss, as the deal values the fund house at INR 141.45 crore, much lower than the INR 800 crore valuation in July 2009 when Nomura had picked up a 35% stake for INR 308 crore. LIC holds 45% stake in the asset management company and LIC Housing Finance owns 20%.

### Sun Pharma to divest US manufacturing unit to Nostrum Labs

Publicly listed Sun Pharmaceutical Industries Ltd is to sell its Bryan, Ohio-based manufacturing unit in the US as a going concern along with the employees and related products, to Nostrum Laboratories Inc.

### Tech Mahindra to acquire Italian auto design firm Pininfarina for \$165-M

Publicly listed Tech Mahindra and Mahindra & Mahindra (M&M) have jointly acquired controlling stake in Italian automobile design house Pininfarina for nearly \$165 million (over Rs 1,000 crore). An special purpose vehicle (SPV), held 60% by Tech Mahindra and 40% by M&M, shall purchase 76.06% of Pininfarina shares from the current controlling shareholder Pincar Srl at Euro 1.1 per share. This will be followed by an open offer for all the remaining ordinary shares of Pininfarina, at the same purchase price. A rights issue to infuse funds into the design & styling major will also be executed before the end of 2016. Pininfarina will continue to remain an independent company, listed on the Milan Stock Exchange, with Paolo Pininfarina as chairman of its board.

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