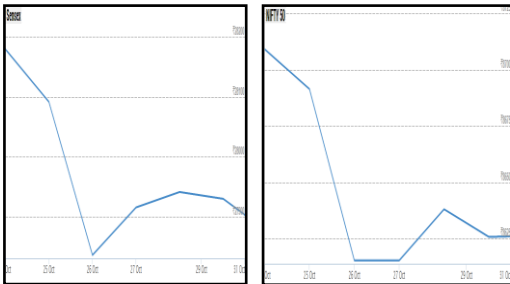


# THE FINANCIAL EDGE

01<sup>st</sup> November, 2016



For the week ended October 28, 2016

### Closing value as on 28-10-2016

Index	Value	% change
Sensex	27930.21	-0.52
Nifty	8625.70	-0.77
Nasdaq	5190.10	-1.28
Nikkei	17446.41	1.52
Straits Times	2813.87	-0.61
Hang Seng	22954.81	-1.80
FTSE 100	6996.26	-0.34
DAX	10696.19	-0.14
Shanghai Composite	3104.27	0.43

### Closing value as on 28-10-2016

Commodity	Value	% change
Gold (Rs./10 grams)	30406.00	1.84
Silver (Rs./KG)	43725.00	3.94
Crude Oil (Barrel)	3103.00	-8.60
Aluminium (Rs./KG)	113.65	4.12
Copper (Rs./KG)	327.45	4.78
Nickel (Rs./KG)	693.20	3.02
Zinc (Rs./KG)	162.20	7.38
Natural Gas (Rs./MMbtu)	190.40	-5.93

### Market Briefing

The Indian equity markets ceded their initial gains during the special “Muhurat” trade session on Sunday to close on a negative note. The special trade session was held to mark the start of the Hindu New Year – Samvat 2073. Its trade began on a positive note. However, caution ahead of key global events’ risks, negative international cues and profit booking subdued investors’ sentiments. The 51-scrip Nifty of the National Stock Exchange (NSE) closed lower by 12.30 points or 0.14 per cent at 8,625.70 points. The 30-scrip sensitive index (Sensex) of the BSE which opened at 28,066.32 points, closed at 27,930.21 points (at 7.30 p.m.) — down 11.30 points or 0.04 per cent from the previous day’s close at 27,941.51 points. The Sensex touched a high of 28,095.71 points and a low of 27,890.14 points during the intra-session trade. On Friday, the last trading day, the equity markets had closed on a flat-to-positive note, even as negative global cues, foreign fund outflow and profit booking subdued investors’ sentiments. The barometer index inched-higher by 25.61 points or 0.09 per cent to 27,941.51 points, while the NSE Nifty gained 22.75 points or 0.26 per cent to 8,638 points. In Samvat 2072, the barometer index had gained 2,074.56 points or 8.02 per cent, whereas the NSE Nifty had swelled by 813 points or 10.38 per cent.

### Buzzing News for the week

#### Domestic

- ✓ Bank investments in MFs jump most in seven years
- ✓ FPIs pull out Rs 10,000-cr from capital markets in Oct
- ✓ Fund mop-ups via IPOs in 2016 three-fold higher than a year ago
- ✓ India allows start-ups to raise up to \$3 mn each via ECB
- ✓ India Inc’s foreign borrowings down 5.8% to \$2.46 bn
- ✓ Indian banks’ loans rose 8.9% y-o-y in two weeks to October 14: RBI
- ✓ MFs invest Rs 8,000 cr in equities in September
- ✓ RBI could bring in 50 bps rate cut by April: BofA-ML
- ✓ Sales growth of listed private companies slowed in Q1: RBI

#### International

- ✓ Bank of Japan delays inflation goal in blow to Abenomics
- ✓ China manufacturing indices at highest in 2 years
- ✓ China’s contribution to world economy to be 30%
- ✓ ECB will provide stimulus until sustained inflation rebound
- ✓ Euro zone growth still slow, core inflation dips in October
- ✓ Monetary Authority of Singapore sees subdued GDP outlook
- ✓ US house prices rise 5.1% in Aug year; consumer confidence slips in Oct

## Mutual Fund Debt Schemes

Ultra Short Term Funds	NAV	1 Week	AUM (Cr.)	Floating Rate - Short Term	NAV	1 Week	AUM (Cr.)
SBI Ultra Short Term Debt Fund (G)	2039.58	5.39	11244	Birla Sun Life Floating Rate - LTP - (G)	192.97	4.21	4447
UTI-Treasury Advantage Fund (G)	3985.34	4.73	11626	Reliance Floating Rate Fund - STP (G)	25.12	3.39	4700
ICICI Pru Flexible Income Plan - Regular (G)	301.48	4.66	18747	HDFC Floating Rate Income - ST - WP (G)	27.44	6.05	14431
HDFC Cash Mgmt - Treasury Advantage (G)	33.42	4.36	10713	UTI-Floating Rate Fund - STP (G)	2575.04	4.66	5061

*“The golden rule for every Business Man is this: Put yourself in your customer’s place.”*

*- Orison Swett Marden*

## Strategic Investments

### **Hero MotoCorp to invest Rs.205-Cr in E-bikes startup Ather Energy**

Hero MotoCorp, India's largest two-wheeler manufacturer, is investing up to Rs 205 crore in electric automotive startup Ather Energy for a 26-30% stake in one of the biggest deals in the nascent sector. Ather has received Rs 180 crore of the total investment with the rest due to be released in tranches. The deal values the three-year-old company at Rs 680 Crore - Rs 790 crore.

### **Quess Corp to acquire 45% stake in compliance technology firm Simpliance for Rs.2.5 Cr**

Quess Corp has announced on Wednesday to acquire 45% stake in human resource compliance management firm Simpliance Technologies for up to Rs 2.50 crore in an all cash deal. "The company has entered into a definitive agreement to acquire 45% stake in Simpliance Technologies Private Ltd (Simpliance). Quess Corp investment is focused on helping develop and ramp-up the Simpliance technology platform which is aimed at providing a one stop comprehensive solution for meeting the labour compliance requirements of corporates," cited the company in a filing to the BSE.

### **Yellow Tie to invest \$20-M in chef Harpal Sokhi's ventures**

Yellow Tie Hospitality Management Llp, a food and beverages franchise management firm, plans to invest up to \$15-20 million in five restaurant ventures of Indian celebrity chef Harpal Singh Sokhi's chain Funjabi Tadka. The money will be used to relaunch some of the existing chains such as Twist of Tadka, a North Indian/Punjabi quick service restaurant, operational in Bengaluru and Amritsar, in January.

## Mergers & Acquisitions

### **Advanced Enzyme to buy 70% stake in JC Biotech for Rs.50-Cr**

Thane-based speciality biotech company Advanced Enzyme Technologies has entered into definitive agreements with API maker JC Biotech to acquire a 70 per cent stake for Rs. 50 crore. Advanced Enzyme board which met and approved the proposed transaction. The acquisition is expected to close latest by end of December 2016. Advanced Enzymes will finance the acquisition largely through internal accruals. "Upon closing, the acquisition is expected to be accretive to Advanced Enzymes' EPS for FY17," Advanced Enzyme said in the statement.

### **Embassy to buy 73.5% in Le Meridien Bengaluru for Rs. 644-Cr**

MAC Charles (India), which owns the Le Meridien hotel in Bengaluru, said Embassy Property Developments has agreed to pay more than Rs. 644 crore for a nearly 73.5% stake held by its promoters. Embassy Property will make an open offer for another 24.7% stake at Rs. 670 a share, MAC Charles said. Embassy Property is looking to ramp up its presence in the hospitality business. It plans to have 1,700 rooms by 2022 under its portfolio.

### **HCL to acquire US-based Butler America Aerospace for \$85-M**

HCL Technologies Ltd said it has agreed to acquire US-based engineering and design services provider Butler America Aerospace LLC, a wholly owned subsidiary of Butler America Inc., for \$85 million (Rs 567 crore) in cash. The acquisition will bolster HCL's capabilities in engineering services and access to clients with large R&D spends, the Indian software services exporter said. The acquisition is subject to certain regulatory approvals and is likely to be closed by 31 December 2016, HCL said.

### **Navneet acquires Britannica's India school publishing biz for Rs.90-Cr**

Navneet Education Ltd said it has agreed to acquire the Indian schools' curriculum-based business of Encyclopaedia Britannica Inc. for Rs 85-90 crore (\$12.7-13.5 million) in cash. The acquisition of Encyclopaedia Britannica India Pvt. Ltd will enhance Navneet's footprint and provide access to newer markets, the education company said. It will also augment the company's intellectual property, Navneet director Anil Gala said.

### **Quess Corp acquires 64% in S'pore staffing firm Comtel Solutions for Rs.132-Cr**

Business services provider Quess Corp said it has entered into agreements to acquire stakes in Singapore-based Comtel Solutions and two domestic firms - Terrier Security Services and Simpliance Technologies - for undisclosed sums. The company "has entered into a binding agreement of terms to acquire a majority stake in Comtel Solutions Pte Ltd marking Quess entry into the technology staffing domain in Singapore," Quess Corp said.

### **Sun Pharma to acquire Swiss eye care products firm Ocular Technologies for over \$40-M**

Sun Pharmaceutical Industries Ltd, India's largest drug maker, has decided to acquire Ocular Technologies, Sarl (OTS) from global PE firm Aven Therapeutics (Aven) for \$40 million, the company said. The deal is subject to various approvals and is expected to complete by end of this year. As per the announcement, Sun Pharma will also pay more contingent on meeting drug development and sales milestones as well as tiered royalty on sales of Seciera.