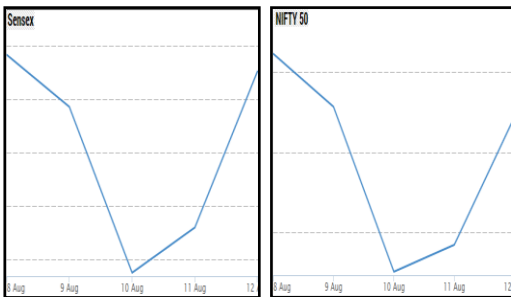


# THE FINANCIAL EDGE

16<sup>th</sup> August, 2016



For the week ended August 12, 2016

### Closing value as on 12-08-2016

Index	Value	% change
Sensex	28152.40	0.26
Nifty	8672.15	-0.13
Nasdaq	5232.89	0.23
Nikkei	16919.92	4.09
Straits Times	2867.40	1.39
Hang Seng	22766.91	2.80
FTSE 100	6916.02	1.80
DAX	10713.43	3.34
Shanghai Composite	3050.67	2.48

### Closing value as on 12-08-2016

Commodity	Value	% change
Gold (Rs./10 grams)	31220.00	-0.03
Silver (Rs./KG)	46088.00	-0.30
Crude Oil (Barrel)	2965.00	6.42
Aluminium (Rs./KG)	110.15	0.18
Copper (Rs./KG)	317.10	-0.83
Nickel (Rs./KG)	689.10	-3.80
Zinc (Rs./KG)	149.65	-1.29
Natural Gas (Rs./MMbtu)	173.60	-6.72

### Market Briefing

Gains registered by stocks in the last two days helped benchmark indices BSE Sensex and NSE Nifty to wipe off most of their initial losses for the week ended August 12, 2016. The BSE Sensex closed the week 74.05 points higher at 28152.40 on August 12. However, the Nifty index closed 11 points down at 8,672.15. During the week benchmark indices BSE Sensex and Nifty declined below 27,700 and 8,550 level after the RBI decided to keep repo rate at 6.50% and also retained the GDP growth projection at 7.6%. Market sentiment was also affected after reports that the gross NPA's of PSU banks jumped from Rs 2.16 lakh crore in 2013-14 to Rs 4.76 lakh crore for the financial year ended March 2016. However, firm global cues, rebound in oil prices and a statement from the weather department that monsoon rains in India stood 15 percent above average in the week ended August 10, 2016. According to Ace Equity, FIIs remained net buyers in equity segment in the week with gross purchases of Rs 23,908.79 crore and gross sales of Rs 20,785.47 crore, leading to a net inflow of Rs 3,123.32 crore. However, they remained net sellers in the debt segment with gross purchases of Rs 5,951.11 crore against gross sales of Rs 6,608.29 crore, resulting in a net outflow of Rs 657.18 crore. Rupee stood almost flat at 66.82, according to the rates available on the website of the Reserve Bank of India.

### Buzzing News for the week

#### Domestic

- ✓ Equity MF assets base at record high of Rs 4.5 lakh crore
- ✓ Forex reserves at record high of \$ 365.74 billion
- ✓ FPIs stay bullish on India, pour Rs 5,400 crore in a fortnight
- ✓ Gold import plunges 52.5% to \$4.97 bn in Apr-Jul
- ✓ Japan to invest \$25 billion in India: Suresh Prabhu
- ✓ July CPI rises to 6.07%, June IIP growth improves at 2.1%
- ✓ Mutual Funds equity folio surges by 8 lakh in April-July
- ✓ Mutual funds to become costlier on GST implementation
- ✓ Rajan keeps policy rate on hold at last RBI review
- ✓ SEBI eases format of accounting standard applicability

#### International

- ✓ China imports, exports slump in July: Customs
- ✓ China's slowing wholesale deflation takes pressure off central bank
- ✓ Global gold demand up 15% in Q2 2016: WGC
- ✓ IMF views positive outlook for Chinese economy
- ✓ Japan records biggest current account surplus since 2007
- ✓ Japan's economy stalls in April-June

## Mutual Fund Debt Schemes

Liquid Funds	NAV	1 Week	AUM (Cr.)	Ultra Short Term Funds	NAV	1 Week	AUM (Cr.)
Axis Liquid Fund(G)	1724.47	6.99	12480	Reliance Medium Term(G)	32.54	13.75	6047
JM High Liquidity Fund(G)	42.53	7.14	4597	HDFC Cash Mgmt-TA Plan(G)	32.81	12.60	9691
HDFC Liquid Fund(G)	3070.74	7.03	34194	IDFC Ultra Short Term Fund-Reg(G)	21.95	12.24	4920
BOI AXA Liquid Fund-Reg(G)	1789.90	7.13	2177	Birla SL Cash Mgr Fund(G)	375.12	12.23	6917

*"Great investors need to have the right combination of intuition, business sense and investment talent."*

*-Andrew Lo*

## Strategic Investments

### **Kerala Based VST Travels Receives \$27K Funding From Promatus**

VST Travels, a Kerala-based travel startup has raised about \$27K (INR 1.8 Cr) funding from a Dubai-based Promatus Group. VST Travels, a startup incubated at the Kerala State Industrial Development Corporation (KSIDC) startup zone at Angamaly was founded by Alvin George. It has received the funding within six months of launching its operations. The funding will support the company to develop and market its application called VehicleST.

### **Sterlite Power buys minority stake in drone company Sharper Shape**

Sterlite Power Transmission has acquired a minority stake in US-based drone service company Sharper Shape to bring its automated inspection and maintenance planning services for infrastructure asset owners to India, the company promoted by Billionaire Anil Agarwal said. Sterlite Power's top executive said that this is a part of the company's strategy to tie up with companies with niche technology.

### **Thermax to invest \$900-K in First Energy**

Thermax said it plans to make an additional investment of up to Rs 6 crore in First Energy Pvt Ltd (FE), alternative energy solutions company. "The board at its meeting held on August 10, 2016, has approved to make an additional investment in First Energy Private Limited (FE), the alternative energy solutions company in which the company has acquired 33 per cent stake in July 2015. The said investment is expected to be completed during the financial year 2016-17." Thermax Ltd said in a filing to BSE.

## Mergers & Acquisitions

### **Aditya Birla Nuvo to merge with Grasim; group's fin services biz to be demerged**

Kumar Mangalam Birla announced the merger of Aditya Birla Nuvo (ABNL) with Grasim Industries to create an entity with Rs 60,000-crore annual revenue or about \$9 billion. This will be followed by the demerger of the financial services business into a separate listed company. ABNL has interests in Aditya Birla Financial Services (ABFSL), telecom (Idea Cellular), textiles and fertilisers, along with new ventures such as payments banks and solar power through various entities. Its financial services business is seeing high growth and needs funding. Grasim, on the other hand, has presence in cement, chemicals and viscose-staple-fibre businesses.

### **Escorts divests auto parts business to Badve Engineering**

Delhi-based Escorts Ltd said it is by selling its auto components division to Pune-based Badve Engineering Pvt. Ltd in an all-cash deal, marking its exit from the automotive business. The company did not disclose the financial details of the deal. Escorts wants to focus on agricultural machinery, construction and railway equipment and does not want to waste time on a business that does not make money for the group, Nikhil Nanda, managing director of Escorts, said.

### **Hyperlocal app GoodService acquired by Ratan Tata-backed UrbanClap**

Home services startup UrbanClap Technologies India Pvt. Ltd has acquired Delhi-based concierge services provider GoodService Labs Pvt. Ltd and we may soon be able to book services on UrbanClap with a simple chatroom message as it is currently working on merging the operations. The acquisition is an all-cash deal, the report said, without specifying the amount. This is second acquisition by UrbanClap this year, after its purchase of after-sale service platform HandyHome.

### **ICRA sells tech arm to Nihilent Technologies for \$10m**

Credit ratings agency ICRA Ltd has agreed to sell its wholly owned technology subsidiary ICRA Techno Analytics Limited (ICTEAS) to Nihilent Technologies Ltd, for Rs 68.75 crore (\$10.3 million). Kolkata-based ICTEAS is engaged in the business of software development, its implementation and post implementation support services in the areas of business intelligence, business analytics, enterprise, web content management including enterprise resource planning implementation.

### **Minda Ind to acquire Roki Japan's 49% stake in JV for Rs 43cr**

Auto components maker Minda Industries will acquire 49 per cent stake of Roki Japan for Rs 42.97 crore in a joint venture that its parent group UNO Minda has with the Japanese firm. The board of directors of the company approved the proposal to buy Roki Japan's 49 per cent stake from the JV - Roki Minda - in which the Japanese partner holds 51 per cent stake and UNO Minda Group has 49 per cent.

### **RupeePower founder takes control post share buyback from Snapdeal**

In a unique transaction in the startup space, founder of financial products platform RupeePower took back control of the company from online marketplace Snapdeal as both look to pursue independent strategy in the financial technology space. Jasper Infotech, which owns and operates Snapdeal, is now a minority shareholder in RupeePower after founder Tejasvi Mohanram has bought back a part of Snapdeal's stake in the four-year-old company.