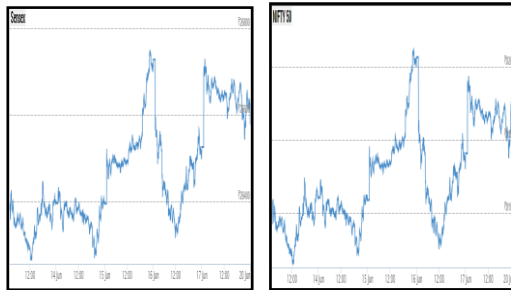


# THE FINANCIAL EDGE

20<sup>th</sup> June, 2016



For the week ended June 17, 2016

### Closing value as on 17-06-2016

Index	Value	% change
Sensex	26625.91	-0.04
Nifty	8170.20	0.00
Nasdaq	4800.34	-1.92
Nikkei	15599.66	-6.03
Straits Times	2763.42	-2.11
Hang Seng	20169.98	-4.15
FTSE 100	6021.10	-1.55
DAX	9631.36	-2.07
Shanghai Composite	2885.10	-1.44

### Closing value as on 17-06-2016

Commodity	Value	% change
Gold (Rs./10 grams)	30602.00	1.72
Silver (Rs./KG)	41362.00	0.72
Crude Oil (Barrel)	3246.00	-1.58
Aluminium (Rs./KG)	108.05	2.81
Copper (Rs./KG)	305.00	1.21
Nickel (Rs./KG)	606.50	1.49
Zinc (Rs./KG)	132.60	-4.88
Natural Gas (Rs./MMbtu)	175.60	2.09

### Market Briefing

Domestic equity indices BSE Sensex and NSE Nifty ended the week flat amid significant global events such as US Fed meet and Bank of Japan monetary policy review. Investors also remained cautious ahead of June 23 referendum over Britain exit from the European union. The 30-share index fell marginally 9.84 points to 26,625.91 on June 17 from 26,635.75 on June 10. However, the 50-share index closed unchanged at 8,170. In the Nifty 50 pack, Bharti Infratel tumbled the most — 9.83% to Rs 337.70 for the week ended June 17. ICICI Bank, ONGC, Tata Power, UltraTech Cement, Tata Steel plunged 5.46%, 3.46%, 3.41%, 2.89% and 2.75% and stood among other major losers of the week. On the other hand, GAIL, SBI, Hindalco, Bank of Baroda and ITC gained 4.89%, 3.37%, 2.86%, 2.67% and 2.37%, respectively in the past five trading sessions. Sectorwise, BSE Telecom index, Bankex, Healthcare and Auto index dipped 1.83%, 0.90%, 0.44% and 0.39%, respectively, during the week under review. On the domestic front, March quarter current account deficit narrowed to lowest in 7 years, lowering the gap between imports and exports is a sign of robustness of the Indian economy. FII's remained net buyers in the domestic equity markets as they poured Rs 295.95 crore during the week. Rupee depreciated by 0.56% to 67.17 against dollar on June 17 from 66.79 on June 10.

### Buzzing News for the week

#### Domestic

- ✓ Equity mutual funds' asset base climbs 14% to Rs 3.7 lakh cr in May
- ✓ Forex reserves down by \$231 mn to \$363.23 bn
- ✓ FPIs stay bullish on India, bring in Rs 4,400 cr in June
- ✓ India's investments at 10-year low in 2015: World Bank
- ✓ Merger and Acquisition fall by 9% to \$1.9 billion in May
- ✓ PE deals dry up, investments in India ease to 3-year low
- ✓ Q4 current account deficit narrows to 0.1% of GDP
- ✓ RBI eases stressed asset restructuring rules for banks
- ✓ RBI simplifies registration process for new NBFCs
- ✓ Service exports flat at \$12.9 billion in April, imports \$7.2 billion
- ✓ WPI inflation inches up 0.79% in May

#### International

- ✓ China forex reserves fall to lowest level since 2011
- ✓ China's total debt is more than double GDP: Government economist
- ✓ Fed leaves interest rates unchanged, signals two hikes this year
- ✓ Japan returns to trade deficit in May as yen strengthens
- ✓ OECD forecasts stronger US growth in 2017

## Mutual Fund Debt Schemes

Ultra Short Term Funds	NAV	1 Week	AUM (Cr.)	Floating Rate – Short Term	NAV	1 Week	AUM (Cr.)
Kotak Treasury Advantage Fund(G)	24.54	7.45	4923	UTI FRF-STP(G)	2491.01	6.99	4771
SBI Ultra Short Term Debt Fund(G)	1980.26	7.32	9452	Reliance FRF ST(G)	24.22	6.06	4472
Tata Floater(G)	2317.92	7.31	3521	HDFC FRIF-Short Term Plan-Ret(G)	25.79	7.15	11658
HDFC Cash Mgmt-TA Plan(G)	32.27	6.70	9256	Birla SL FRF-Short Term Plan-Ret(G)	252.56	7.39	4521

*“Wide diversification is only required when investors do not understand what they are doing.”*

*- Warren Buffett*

## Debt Financing

### **Konark Group raises Rs.46-Cr in structured credit**

Mumbai headquartered Konark Group has raised structured credit facilities aggregating INR 46 crores from a leading financial institution, against its operational 5 MW solar asset. Safire Capital acted as the sole financial advisor to Konark Group for this transaction.

### **Tata Power Renewable Energy raises Rs 575 Cr via NCDs**

Tata Power Renewable Energy Ltd, a wholly-owned subsidiary of publicly listed Tata Power, has raised INR 575 crore through issuance of non-convertible debentures (NCDs) on private placement basis. The proceeds will be used primarily to prepay existing high cost debt in TPREL. The NCDs have been rated AA (SO) by CARE Ltd and will carry a spread of 0.14 per cent above 6 month marginal cost of lending rate (MCLR) of HDFC Bank Ltd payable semi-annually and are guaranteed by the company. The guarantee is capped at INR 625 crore and will fall off once the NCDs are fully repaid.

## Mergers & Acquisitions

### **Centum Electronics acquires 51% in France-based Adetel group**

Bengaluru-based Centum Electronics has acquired France-based Adetel Group which specialises in embedded electronics systems for defence, aerospace, industrial, transportation, medical and energy sectors. As part of the acquisition, Centum will hold a 51% controlling stake in Adetel Group.

### **Dr Reddy's to buy eight ANDAs from Teva Pharma for \$350-M**

Publicly listed Dr Reddy's Laboratories has inked a pact with Israeli drug maker Teva Pharmaceutical and an affiliate of Allergan Plc to buy a portfolio of eight abbreviated new drug applications (ANDAs) in the US for \$350 million (around INR 2,300 crore) in cash. The portfolio consists of products that are being divested by Teva as a precondition to its closing of the acquisition of Allergan's generics business. Dr. Reddy's is acquiring the portfolio on a cash-free, debt-free basis and expects to finance the transaction using a combination of cash on hand and available borrowings under existing credit facilities.

### **Gaia Smart Cities acquires Netcore's Internet of Things business**

Internet devices firm Gaia Smart Cities has acquired Internet of Things business of communications service provider Netcore in an equity deal. The acquisition gives Gaia about fourfold jump in number of customers. Gaia Smart Cities provides internet of things solution like remote access to water meter, gas meter, asset tracking. Nine Rivers Capital Advisors acted as the sole financial advisor on the acquisition.

### **Giftxoxo acqui-hires BookMyInterest**

Giftxoxo is to acqui-hire BookMyInterest, a marketplace for hobbies and leisure activities. With this deal, Giftxoxo aims to rope in the customer base of BookMyInterest and its partner network to boost its current offering.

### **Havells to hike stake in LED products maker Promptec to 70%**

Publicly listed Havells India is to hike its stake in Bangalore based Promptec Renewable Energy Solutions Pvt Ltd., where it presently holds 51% stake, to 70% stake. Promptec is engaged in marketing and manufacturing of LED products including street lighting, office lighting and Solar lighting.

### **Pidilite buys Kenya-based adhesives firm**

Publicly-listed Pidilite Industries Ltd has acquired 100% stake in Kenya-based Nebula East Africa Private Limited (NEAPL). The paid up share capital of the target is Kenyan Shillings 100,000 equivalent to approx. US\$1000. NEAPL is proposed to be engaged in the business as manufacturers, importers, exporters, buyers, sellers, etc in adhesives, sealants, and all other products used for making or producing adhesives and sealants.

### **Used car marketplace Hopcar merges with Spinny**

New Delhi-based online used car marketplaces, Hopcar, has announced merger with Gurgaon-based Spinny, a platform that help buyers get car deals. The four co-founders of Hopcar viz. Arijit Biswas, Rahul Thakur, Anish Karan, and Rahul Anand will join the core-team members at Spinny. The merged entity will consolidating its foothold in Bangalore and expand to other cities towards the end of the fiscal year.