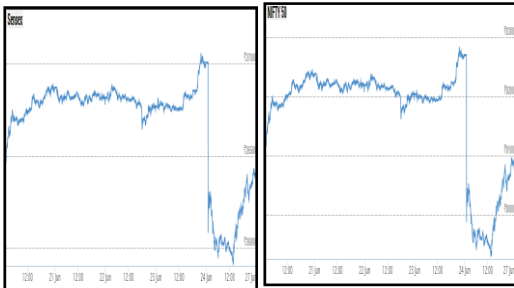


# THE FINANCIAL EDGE

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



For the week ended June 24, 2016

### Closing value as on 24-06-2016

Index	Value	% change
Sensex	26397.71	-0.86
Nifty	8088.60	-1.00
Nasdaq	4707.98	-1.92
Nikkei	14952.02	-4.15
Straits Times	2735.39	-1.01
Hang Seng	20259.13	0.44
FTSE 100	6138.70	1.95
DAX	9557.16	-0.77
Shanghai Composite	2854.29	-1.07

### Closing value as on 24-06-2016

Commodity	Value	% change
Gold (Rs./10 grams)	31579.00	3.19
Silver (Rs./KG)	42435.00	2.59
Crude Oil (Barrel)	3250.00	0.12
Aluminium (Rs./KG)	109.20	1.06
Copper (Rs./KG)	319.30	4.69
Nickel (Rs./KG)	612.00	0.91
Zinc (Rs./KG)	136.85	3.21
Natural Gas (Rs./MMbtu)	180.50	2.79

### Market Briefing

Heavy selling pressure from operators and investors at the fag-end of week due to sharp fall in global markets as UK voted for Brexit, pulled down the sensex by 228 points and Nifty by 82 points. Pounded by Brexit, stocks and rupee went into a tailspin with the Sensex taking 1,090-point during the intra-day trade on Friday and rupee crashing by 97 paise but late buying by domestic institutions and talking-up by policymakers helped recoup some losses. The S&P BSE sensex resumed lower at 26,497.11 and hovered in a range of 27,060.98 and 25,911.33 before ending the week at 26,397.71, showing a loss of 228.20 points or 0.86 per cent. The 50-share Nifty also dropped by 81.60 points or 1 per cent to close the week at 8,088.60 after moving in a range of 8,285.60 and 7,927.05. Among the S&P BSE sector and industry indices, Realty fell by 3.59 per cent followed by Capital Goods (2.46 per cent), Power (2.34 per cent), Metal (1.95 percent), Bankex (1.64 per cent), FMCG (1.38 per cent), Oil & Gas (0.52 per cent), Tech (0.30 per cent), Auto (0.30 per cent and IT (0.15 per cent), while Healthcare rose (0.55 per cent) and Consumer Durables (0.35 per cent). Meanwhile, foreign portfolio investors (FPIs) and foreign institutional investors (FIIs) sold shares worth net Rs 539.42 crore during the week as per Sebi's record, including the provisional figure of June 24.

### Buzzing News for the week

#### Domestic

- ✓ Angel, VC investment in India has grown 40 times in five years: Rajan
- ✓ Bank mergers likely to happen after SBI consolidation, says finance ministry official
- ✓ FPIs pull out Rs 6,200-cr from debt markets in June
- ✓ Govt relaxes FDI norms, allows 100% in aviation, greenfield pharma
- ✓ India Inc's foreign borrowings fell 45% in May to \$1.32 bn
- ✓ India received \$55 bn in FDI in two years: Sushma Swaraj
- ✓ World Bank retains 7.6% growth rate for India in 2016-17

#### International

- ✓ Brexit: Moody's assigns UK a negative credit outlook
- ✓ Britain upends hopes, markets as Brexit becomes reality
- ✓ Goldman sees post-Brexit UK recession; cuts EU, US growth views
- ✓ Japan records \$388 million trade deficit
- ✓ Oil prices plunge 5% as Britain votes to leave EU
- ✓ Post-Brexit global equity loss of over \$2 trillion worst ever: S&P
- ✓ US existing home sales hit nine-year high
- ✓ US receives \$ 348 billion FDI in 2015

## Mutual Fund Debt Schemes

Liquid Funds	NAV	1 Week	AUM (Cr.)	Ultra Short Term Funds	NAV	1 Week	AUM (Cr.)
Reliance Liquidity(G)	2320.22	7.38	5232	Reliance Medium Term(G)	32.02	8.92	4931
IDBI Liquid Fund(G)	1648.08	7.19	4929	Kotak Treasury Advantage Fund(G)	24.58	8.65	4923
BOI AXA Liquid Fund-Reg(G)	1772.01	7.35	1446	Birla SL Cash Mgr Fund(G)	369.84	7.93	6892
JM High Liquidity Fund(G)	42.11	7.46	4269	Tata Floater(G)	2321.44	7.92	3521

*"Markets can remain irrational longer than you can remain solvent."*

*- John Maynard Keynes*

## Strategic Investments

### **Actor Sachin Joshi invests \$10-M in Playboy's India license holder**

Actor producer Sachin Joshi, who acquired Goa-based beer brand Kings Beer last year, has picked up a significant minority stake in PB Lifestyle, exclusive licence holder in India for Playboy Enterprises, USA. Joshi is investing \$10 million (about INR 67 crore) in first tranche and has an option to increase his stake up to 50% in the company, which has the unconditional licence to launch Playboy-branded clubs, cafes, lounges and pubs, beer gardens, hotels, signature events and merchandise in the country. In phase one, the company plans to launch four F&B formats. Phase II will include entering into retail (clothing), hotels and resorts too.

### **IndiaMART invests in B2B marketplace ProcMart**

Noida-based procurement marketplace for office products ProcMart has raised seed funding from IndiaMART. The startup will utilize the funds in creating a robust technology, which is comprehensive, user friendly and easily scalable. It would also be expanding presence across all the Tier-1 cities. In January 2016, the company had raised angel funding from IndiaMART founder and CEO Dinesh Agarwal. Founded in 2015 by IIM Lucknow alumnus, Anish Popli, Pratik Potnis and Saheel Joshi, Procmart is a quotation focused B2B procurement assistance application and operates in NCR and Maharashtra region.

## Mergers & Acquisitions

### **CLP India buys 49% stake in Suzlon's Telangana solar power project for Rs.73.5 Cr**

Hong Kong based CLP Group has acquired a 49% stake in SE Solar, the SPV housing publicly listed Suzlon Energy's 100 mw project in Veltoor, Telangana, for INR 73.5 Cr. CLP India will have the option to acquire the balance 51% stake one year after launch of commercial operations. The networth of the target company was INR 30 Cr as of March 2016. In February, Suzlon had won rights to set up 210 MW of solar plants in Telangana in this financial year across six projects.

### **Dai-ichi Life buys 18% more in life insurance JV from Bank of India**

Listed public sector lender Bank of India has sold 18% in Star Union Dai-ichi Life Insurance Company to Dai-ichi Life Insurance Company. Following the transaction, Dai-ichi Life will now hold 44% in the company up from 26% and BOI's stake will be down to 30% from 48%. Union Bank of India, the other joint venture partner, would continue to hold 26% stake in the company.

### **Eros to acquire 50% stake in film production firm Puja Entertainment**

Publicly listed Eros International Media has signed a term sheet to acquire 50% stake in veteran producer Vashu Bhagnani's company Puja Entertainment and Films. The deal will involve new productions, remakes of hit films from the 1990s like Hero No. 1, Coolie No. 1 and Biwi No. 1 as well enable Eros to access Puja's library of films for international distribution.

### **I-Squared Capital unit acquires SunEdison's roof-top solar assets**

I Squared Capital-owned roof-top solar power platform Amplus Energy Solutions Pvt. Ltd has acquired American solar power developer SunEdison Inc.'s roof-top solar power assets in India. Amplus has acquired around 7 megawatts (MW) of SunEdison's roof-top assets including marquee clients like Whirlpool, Intel, Standard Chartered and Delhi Metro. The portfolio of assets is spread across states such as Maharashtra, Karnataka, Tamil Nadu and Delhi. With the acquisition of SunEdison's roof-top solar assets, Amplus now has a portfolio of around 30 MW, spread across the country. SunEdison had initiated the sale of its Indian assets after ballooning debt led it to file for Chapter 11 bankruptcy protection on 22 April.

### **Quick Heal acquires Junco Tech, launches cyber security arm**

Listed IT security software firm Quick Heal Technologies has acquired Junco Technologies, another IT security firm and will be launching a new line of business, Seqrite Services, to be headed by Junco founder Rohit Srivastwa. Seqrite Services will operate as a division of Seqrite, the enterprise business of Quick Heal, and will offer cyber security consulting services.

### **Rise India buys majority stake in ed-tech startup Padhopadhao.com**

Gurgaon-based education firm Rise India has acquired a 60% stake in tutor aggregator Padhopadhao.com. The acquisition will help the portal expand operations to cities such as Mumbai, Jaipur, Chennai, Chandigarh, Bangalore and Hyderabad.

### **Tech Mahindra acquires UK digital agency BIO for Rs.396-Cr**

Listed IT services provider Tech Mahindra has acquired UK-based BIO Agency that offers digital services to global clients, for an Enterprise Value of GBP 40 million (about INR 396 Cr) plus surplus cash not exceeding GBP 5 million (INR 49.5 Cr). BIO Agency, which services brands across financial services, retail, property, travel, and technology sectors, reported revenues of GBP 12.5 million for the year ending April 2016. Its revenues for the previous two years were GBP 7.3 million and GBP 6.3 million. Tech Mahindra will pay GBP 22 million plus the surplus cash upfront, and the balance as deferred payments between 2016-17 and 2018-19 based on performance.