



Go India Advisors

Weekly Newsletter

Market Masala...

The flavors that influenced the market this week

Headlines this week

Crude Shocks, Facebook Jio deal, Hope for right medicine both for Covid 19 and Economy



Go India Advisors

Weekly Newsletter



WTI Crude oil futures for May delivery got settled at –US\$37/barrel, as world ran out of place to store oil. This is a new normal, where zero is not the absolute bottom. We saw it earlier when interest rates moved negative and now this. Oil is not a zero value commodity, but maybe physical storage capacity has to be ramped up or regulation needs to be tightened.



Gilead's experimental anti-viral drug remdesivir ongoing clinical trials have kept world on tenterhooks. A leaked report from China indicated limited effectiveness of remdesivir pulled the market down. Though Gilead made a statement later to say that the study was incomplete due to lack of Covid19 patients in China, soothed nerves.



Facebook announced US\$5.7bn investment in Reliance's Jio. This huge investment brought excitement to the market. While the valuations were in line with consensus estimates on the street, but alleviated concerns on high debt. At the same time lots of talk on possibilities for Jio's retail strategy and combined strength of 400mn+ subscribers each of Jio and Whatsapp.

Global Markets consolidate looking for catalysts



Go India Advisors

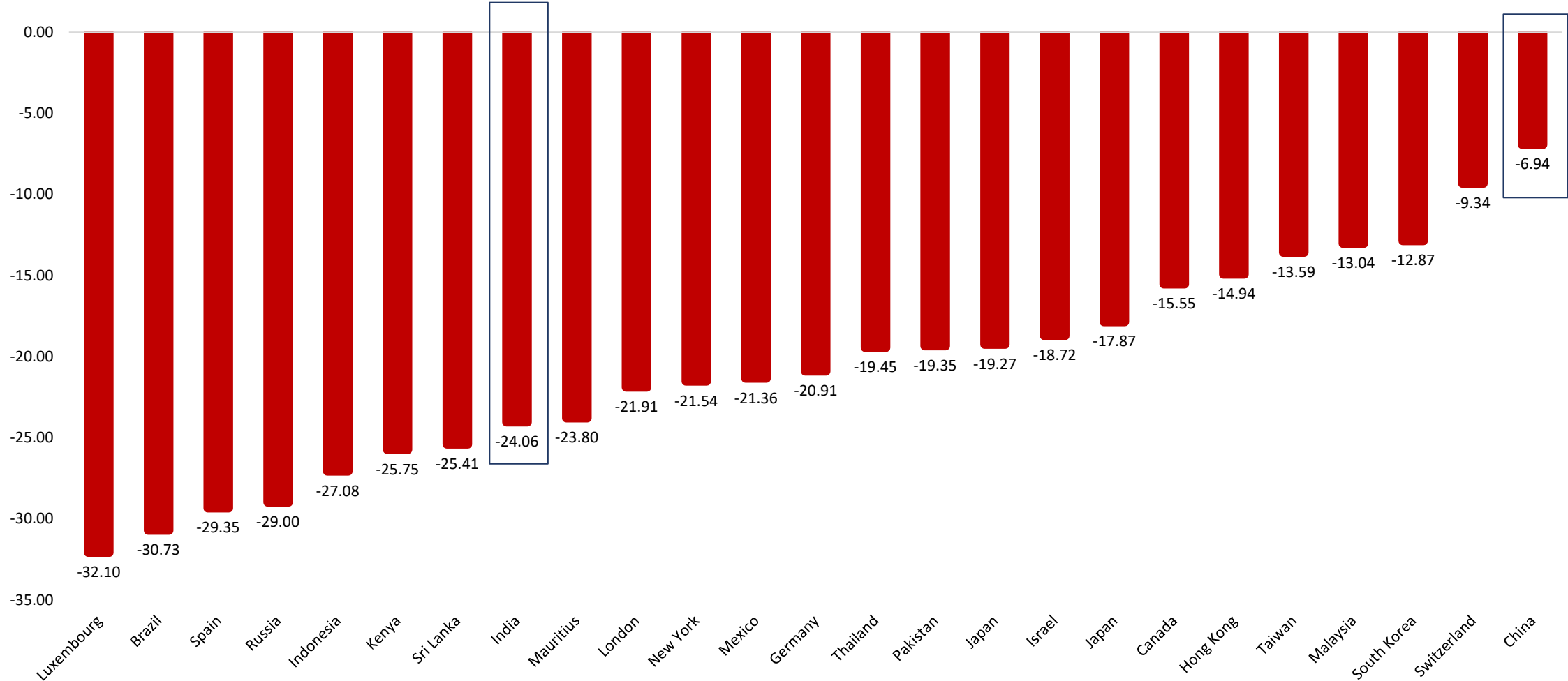
Weekly Newsletter

Returns %

Name	One Week (17/04/2020-24/04/2020)	One Month (25/03/2020-24/04/2020)	One Year (25/04/2019-24/04/2020)	YTD (01/01/2020- 24/04/2020)
Hang Seng	-2.25	2.05	-19.50	-15.46
Dow 30	-1.93	5.42	-10.43	-16.69
NASDAQ	-0.18	10.73	5.99	-3.77
S&P 500	-1.32	7.86	-3.51	-12.20
KOSPI	-1.33	12.02	-13.32	-14.04
FTSE 100	-0.60	-1.09	-22.56	-23.74
Nikkei 225	-3.19	3.20	-13.46	-18.58
Nifty 50	-1.21	5.94	-22.12	-24.77
S&P BSE SENSEX	-0.83	4.61	-19.81	-24.06

China: Best performer worldwide

Equity Performance YTD(%)





Reliance leads but rest weak

Indian Markets for Week Ending 24th April 2020

Energy 9.85 %	Healthcare 3.57 %	IT 1.86 %	Teck 1.08 %	Oil Gas -0.91 %
Infra -1.29 %	FMCG -2.11 %	Telecom -2.38 %	Consumer Disc. -2.89 %	Power -3.6 %
Industrials -4.34 %	Utilities -4.53 %	Basic Materials -4.93 %	Bankex -5.13 %	Auto -5.14 %
Finance -5.3 %	Realty -5.41 %	Consumer Durables -5.55 %	Capital Goods -5.66 %	Metal -9.86 %

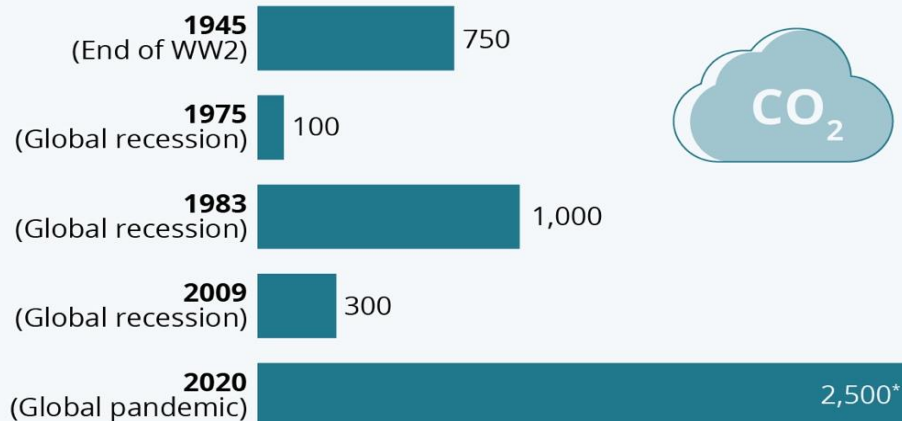
For more information: [Click on the image.](#)



Climate change – positive fall out of Covid 19

COVID-19 Could Cause Historic Drop in Carbon Emissions

Biggest drops in global carbon emissions in recorded history (in million tons)



* Projection based on current restrictions on travel, work and industry

Sources: The Guardian, Global Carbon Project



statista

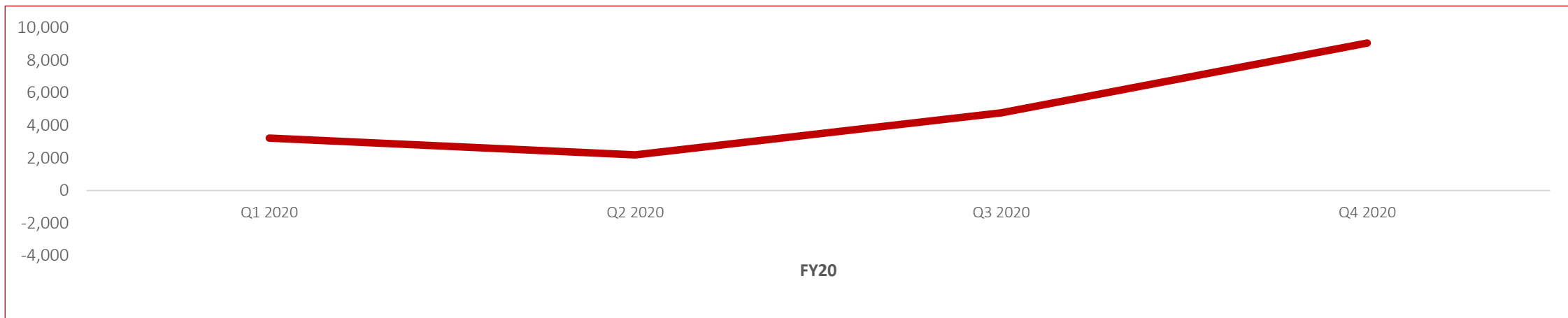
- As businesses remain closed and people across the world continue to socially distance, a new projection shows the Earth could see its highest-ever drop in carbon emissions from fossil fuels in recorded history.
- Carbon emissions could fall by as much as 2.5 billion tons over the course of 2020. That would be an unprecedented reduction of 5 percent of the total CO₂ gas in the atmosphere.
- Oil prices have plummeted in response to both COVID-19 restrictions and a coincidental price war between the world's top producers. Despite a rapid decline in demand, many producers have continued to pump oil – driving the price down further and having an increasingly difficult time finding buyers.



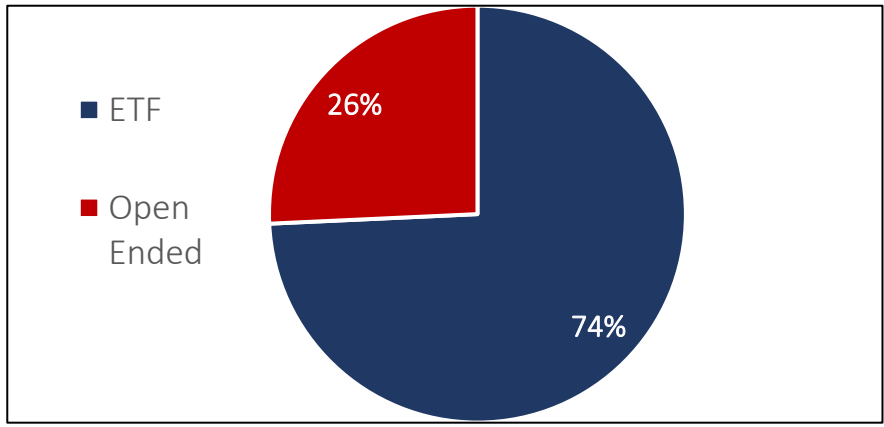
Lockdowns have brought more focus on ESG

Despite the Pandemic, US Sustainable Funds saw record inflows

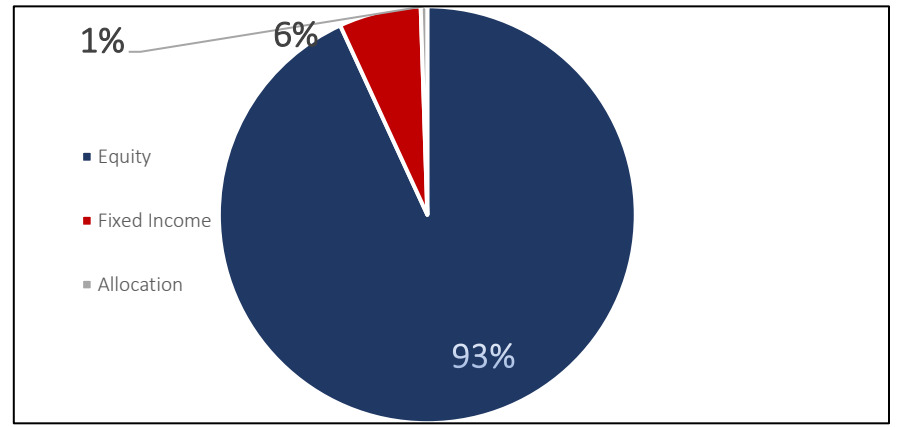
Quarterly Flows of US Sustainable Funds (USD Millions)



ETFs attracted more than 3/4th of Inflows



Equities attracted more than 90% of Inflows

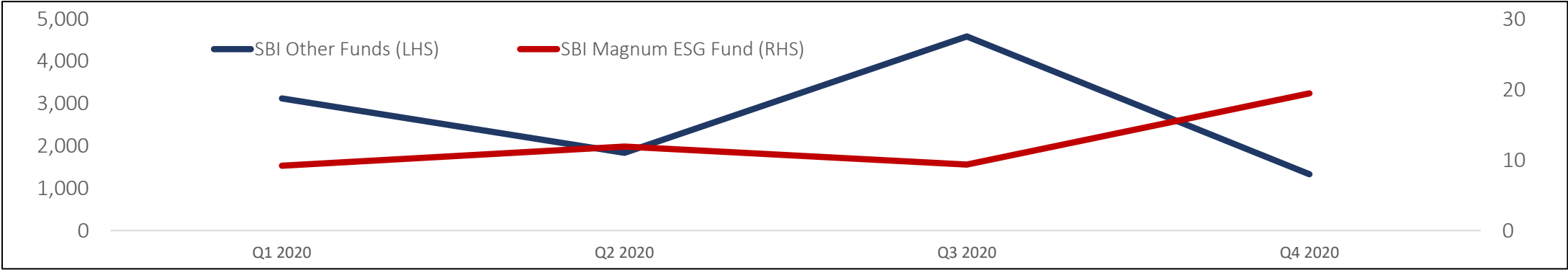




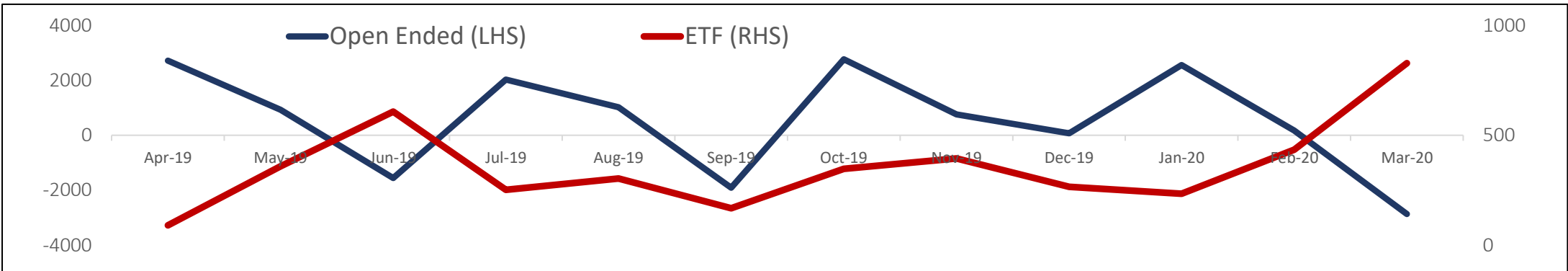
India – following the global sustainable trend

SBI ESG Fund, India's largest sees higher inflows than it's other funds

SBI: Sharp decline in Inflows seen in other funds of SBI during the pandemic in FY20 whereas SBI ESG Fund saw a steep rise (USD Millions)

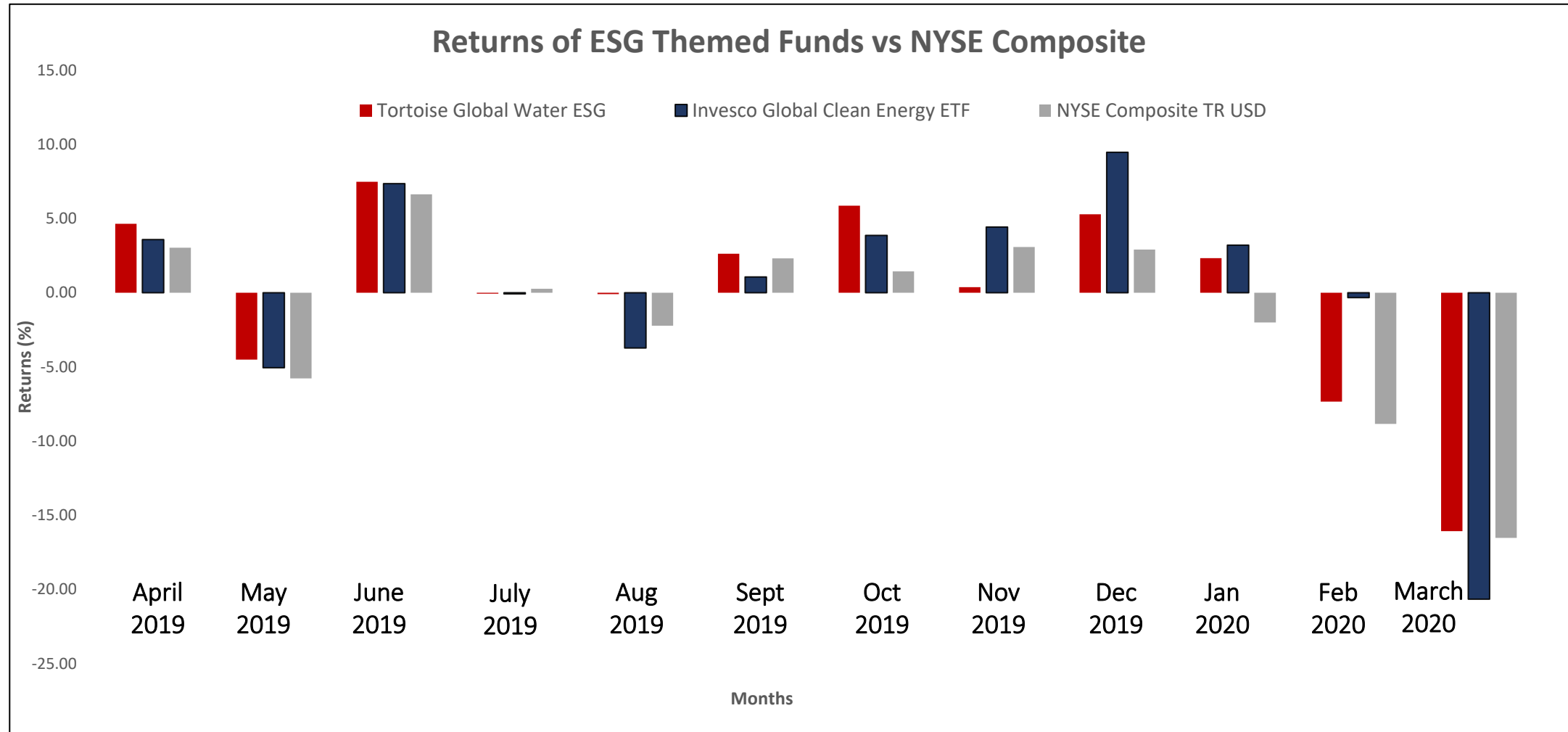


SBI : ETFs preferred over Open Ended Funds during the Pandemic in FY20 (USD Millions)





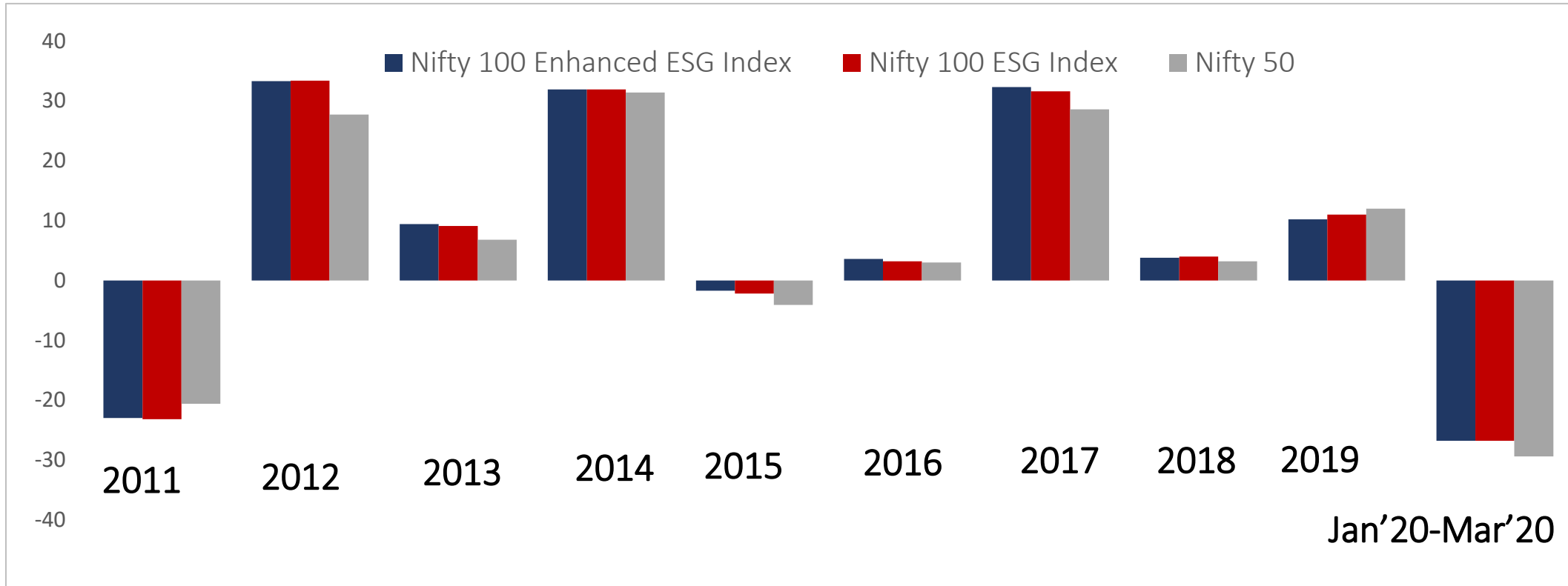
Global ESG Funds do better than NYSE Composite Index





ESG Indices outperform Nifty 50 Index

Returns of Nifty ESG Indices vs Nifty 50 (%)



Note: X Axis shows Calendar Years



Views on ESG Themed Funds



“

Incorporating the ESG thought process is no longer a luxury but a necessity

Jinesh Gopani: Axis MF ”



“

ESG investing replaces the question: “How much return?” with “How much sustainable return?”

Chirag Mehta: Quantum MF ”



“

Companies that conduct themselves in line with sound ESG principles are likely to navigate the future minefields better.

*Shyam Sunder-Peak
Alpha Investment* ”

ESG Operational Response by Sectors – next winners?

Outside of health care, various industries have stepped up operational response efforts.

For investors, companies leading the charge in these industries may possess under-appreciated intangible value (quality of management team, human capital, technological competency, etc.).

The Response Signal can therefore be a helpful tool in identifying new investment opportunities.

Top Industry Response by Volume



- | | | |
|---|--|--|
| ● Biotechnology & Pharmaceuticals | ● Internet Media & Services | ● E-Commerce |
| ● Automobiles | ● Medical Equipment & Supplies | ● Software & IT Services |
| ● Multiline and Specialty Retailers & Distributors | ● Hardware | ● Health Care Delivery |
| ● Containers & Packaging | ● Food Retailers & Distributors | ● Cruise Lines |
| ● Airlines | ● Telecommunication Services | ● Commercial Banks |
| ● Apparel, Accessories & Footwear | ● Restaurants | ● Aerospace & Defense |
| ● Meat, Poultry & Dairy | ● Drug Retailers | |



Go India Advisors
Newsletter

Tech Check – Back in LT trend, upmove?

NIFTY 50



RSI – weak on yearly chart, but above 50 in weekly chart, so pull back to 9600-10000 still on cards

MACD still in correction mode but could be turning here

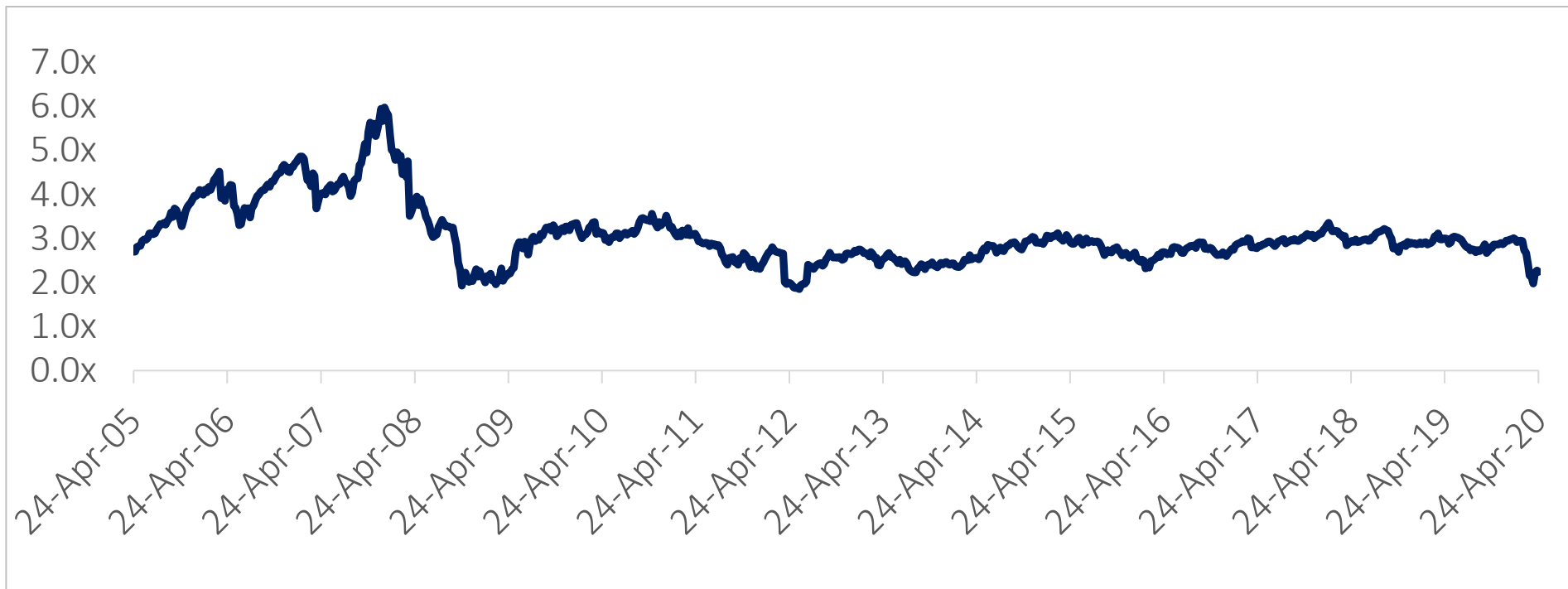
1. Market has consolidated well and has pulled back above the long term upward trend line. Is it start of a fresh upmove? Well too early to say and will depend on newsflow on vaccine/treatment options for Covid19.
2. However, Pullback to 9600-10000 levels still on cards.
3. Healthcare/Pharma and IT remain the key outperforming sectors.



Valuations – bottoms if history repeats

Nifty 50 – P/B TTM is at same levels as previous bottoms

NSE Nifty 50 P/B TTM



All sectors scrapping the bottom on P/B

Pharma and Autos – made new lows



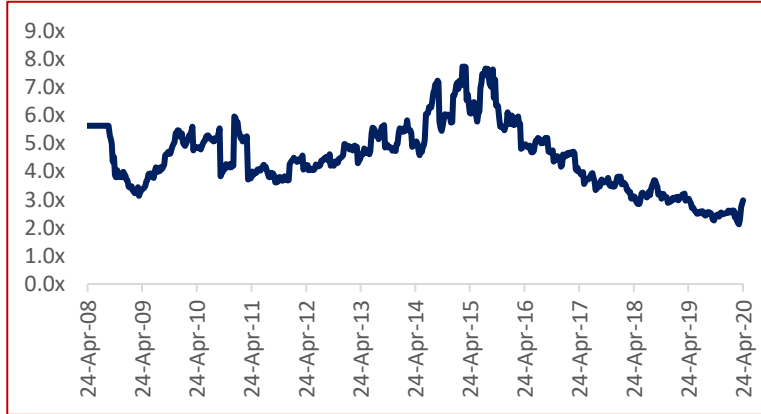
Go India Advisors

Weekly Newsletter

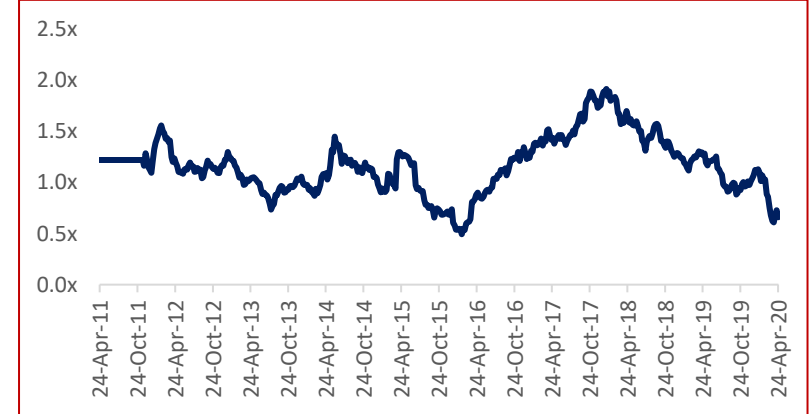
Nifty Bank Index



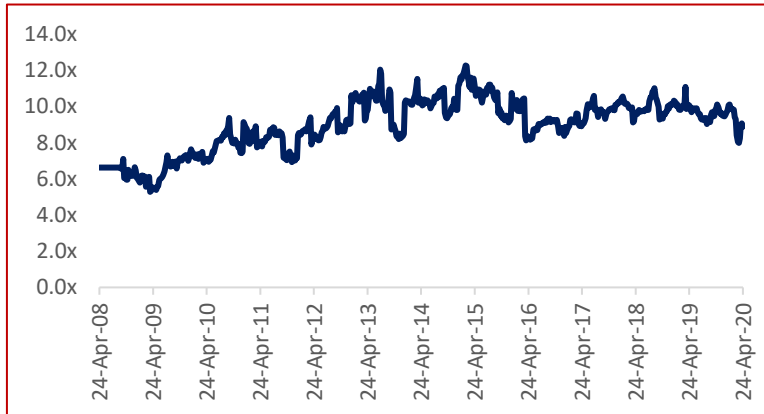
Nifty Pharma Index



Nifty Metals Index



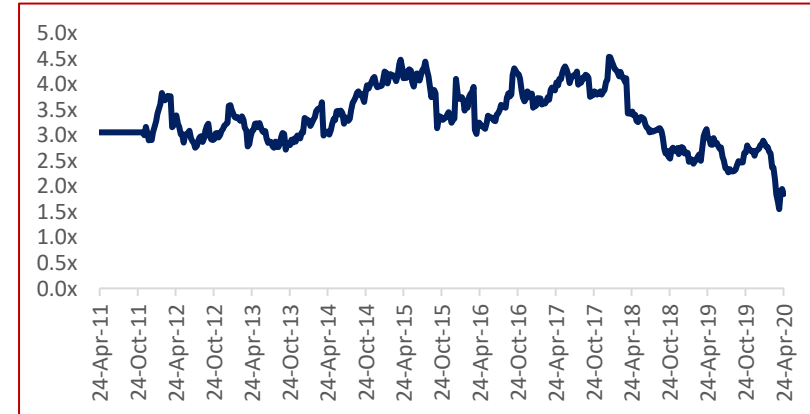
Nifty FMCG Index



Nifty IT Index



Nifty AUTO Index



Voices that matter

Optimism as stability returns



Go India Advisors

Weekly Newsletter

J.P.Morgan

[Top JPMorgan Fund Touts Big Windfall in Emerging-Market Stocks](#)



[Companies will shift supply chains away from China after coronavirus crisis](#)



[Billionaire Chris Rokos Reopens Hedge Fund to Raise \\$1 Billion. The macro hedge fund had its best-ever month in March, boosting returns for the year to about 20%](#)



Q4FY20 Results – off to decent start

Biggies, HDFC Bank, ACC, TCS, Infosys – delivered as/better than expected

In INR mn

Company Name	Net Sales	YOY Net Sales %	QOQ Net Sales %	PAT	YOY PAT %	QOQ PAT %	EPS (TTM)	CMP	PE (TTM)	P/BV
Alembic Pharma	12,068	30%	0%	2,035	55%	-11%	38.63	759	19.66	4.49
Bharti Infratel	16,821	0%	1%	4,050	18%	-2%	17.83	152	8.53	2.13
Reliance Indl. Infra	195	-7%	-3%	21	10%	-1%	6.43	276	42.9	1.12
GTPL Hathway	6,557	103%	-3%	-197	16%	-150%	6.91	48	6.95	0.74
Den Networks	3,278	20%	3%	259	112%	134%	1.47	45	30.83	0.83
CRISIL	4,278	3%	-8%	881	15%	-8%	49.04	1411	28.76	8.57
Tejas Networks	546	-80%	-37%	-1,265	-453%	-13%	-25.71	37	0	0.32
ACC	35,017	-11%	-14%	3,208	-6%	20%	72.13	1158	16.06	1.83
Linde India	3,773	-14%	-9%	390	10%	-94%	85.27	522	6.12	2.01
Tata Elxsi	4,389	8%	4%	821	15%	9%	41.12	750	18.25	4.29
Infosys	232,670	8%	1%	43,350	6%	-3%	38.96	658	16.9	4.28
HDFC Bank	317,951	13%	2%	72,967	16%	-5%	49.7	938	18.86	2.92
TCS	399,460	5%	0%	80,930	-1%	-1%	86.19	1818	21.1	8.05
Wipro	157,505	4%	2%	23,439	-6%	-5%	17.02	178	10.44	1.83



Upcoming Results and Conference Calls

Results Calendar

25/04/20	<ul style="list-style-type: none">• ICICI Prudential Life Insurance Company Ltd
27/04/20	<ul style="list-style-type: none">• Adani Power Ltd• Ambuja Cements Ltd• HDFC Life Insurance Company Ltd• IndusInd Bank Ltd• Sasken Technologies Ltd
28/04/20	<ul style="list-style-type: none">• Axis Bank Ltd
29/04/20	<ul style="list-style-type: none">• Hexaware Technologies Ltd
30/04/20	<ul style="list-style-type: none">• Apollo Tricoat Tubes Ltd• Ecom Infotech Ltd• Hindustan Unilever Ltd• Laurus Labs Ltd• ABB Power Products and Systems India Ltd• Security and Intelligent Services India Ltd• Tech Mahindra Ltd• Uργο Capital Ltd• Xtglobal Infotech Ltd
01/05/20	<ul style="list-style-type: none">• Sacheta Metals Ltd

Upcoming Conference Calls

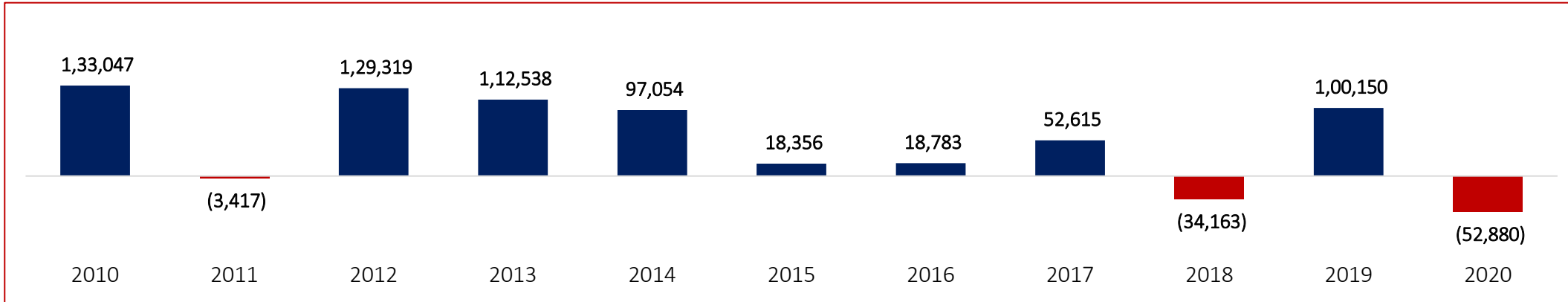
25/04/20	<ul style="list-style-type: none">• ICICI Prudential Life Insurance Company Ltd
27/04/20	<ul style="list-style-type: none">• IndusInd Bank Ltd• KRBL Ltd
30/04/20	<ul style="list-style-type: none">• Tech Mahindra Ltd
05/05/20	<ul style="list-style-type: none">• Affle (India) Ltd

For Further Details, Visit [GO INDIA STOCKS](#).



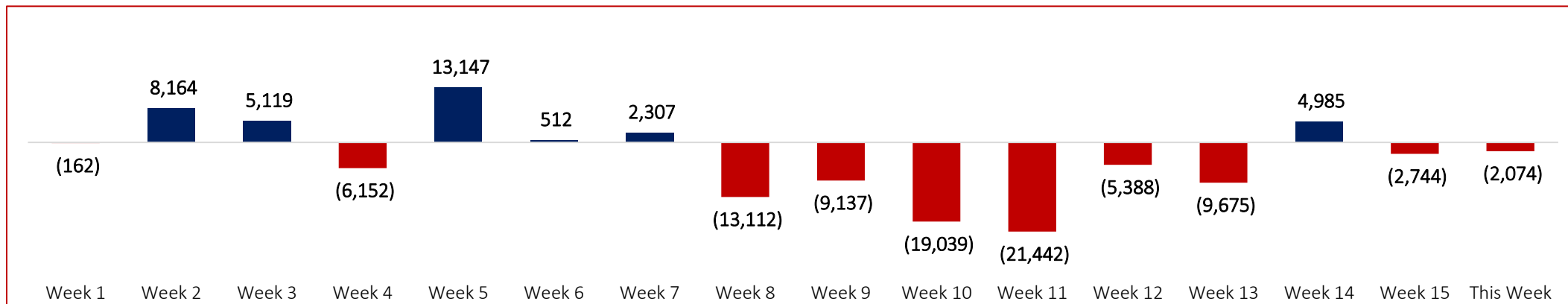
FII sell off– down to a trickle

FII Flows in Indian Equities over the Years (INR Cr)



Note : all above years are CY and not FY

Weekly FII Flows in Indian Equities in CY20 (INR Cr)



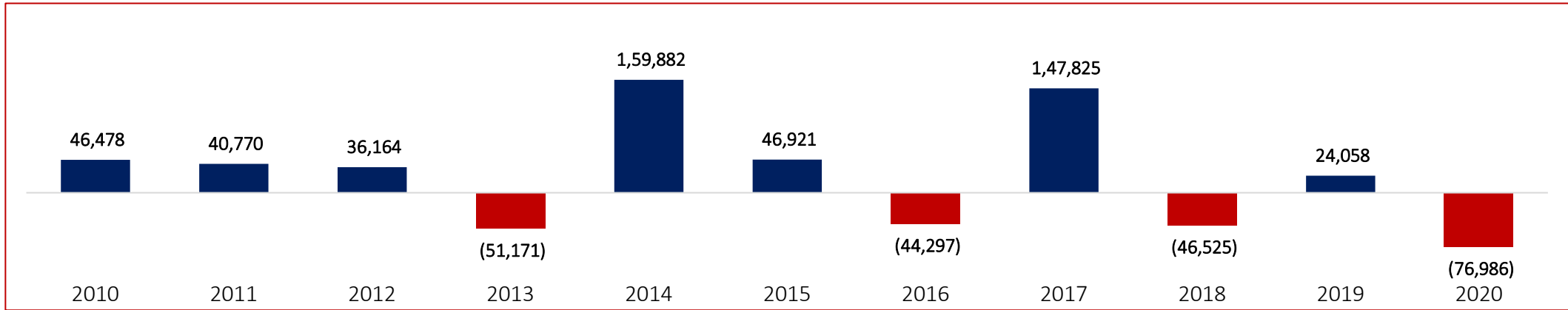
Note : Week 1 starts from January 6th , 2020

25-04-2020

FII sell off – turn buyers in Debt Markets

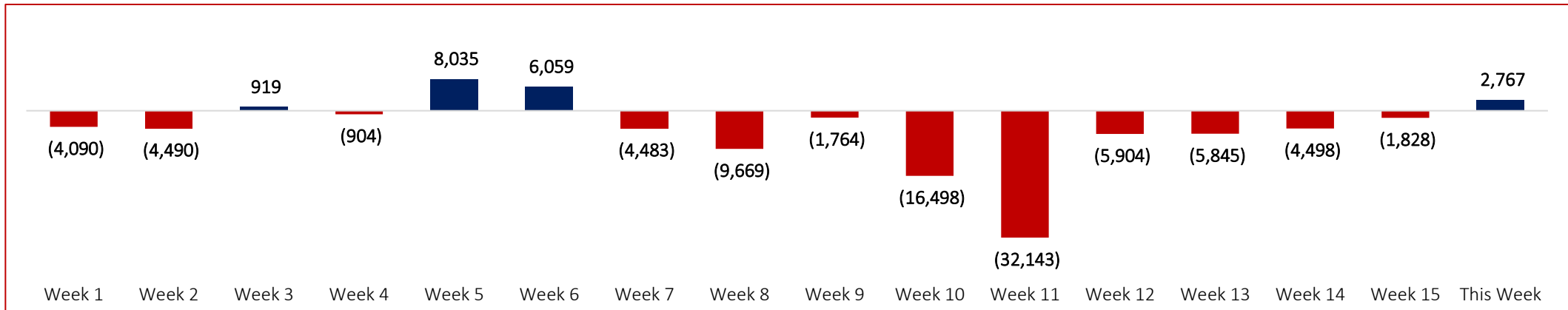


FII Flows in Indian Debt Market over the Years (INR Cr)



Note : all above years are CY and not FY

Weekly FII Flows in Indian Debt Market in CY20 (INR Cr)



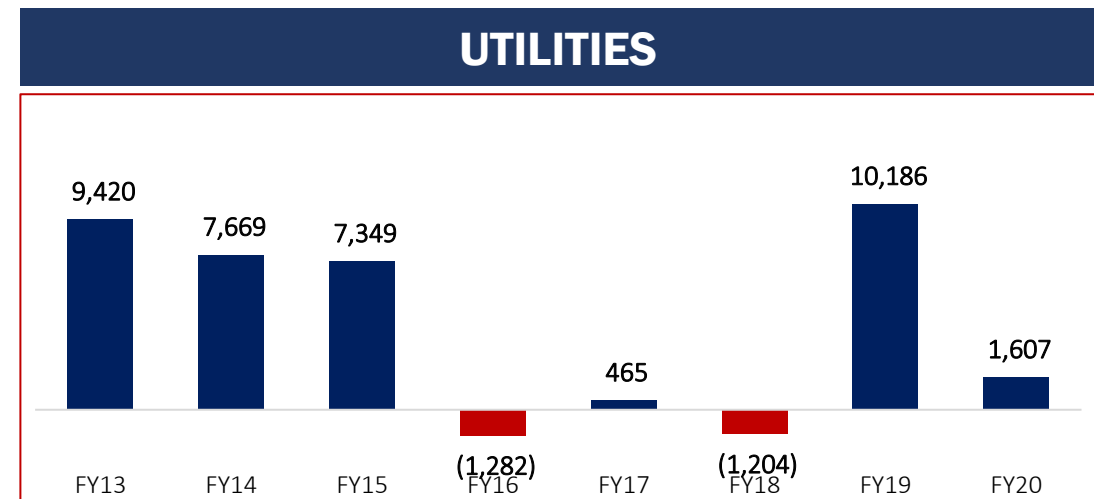
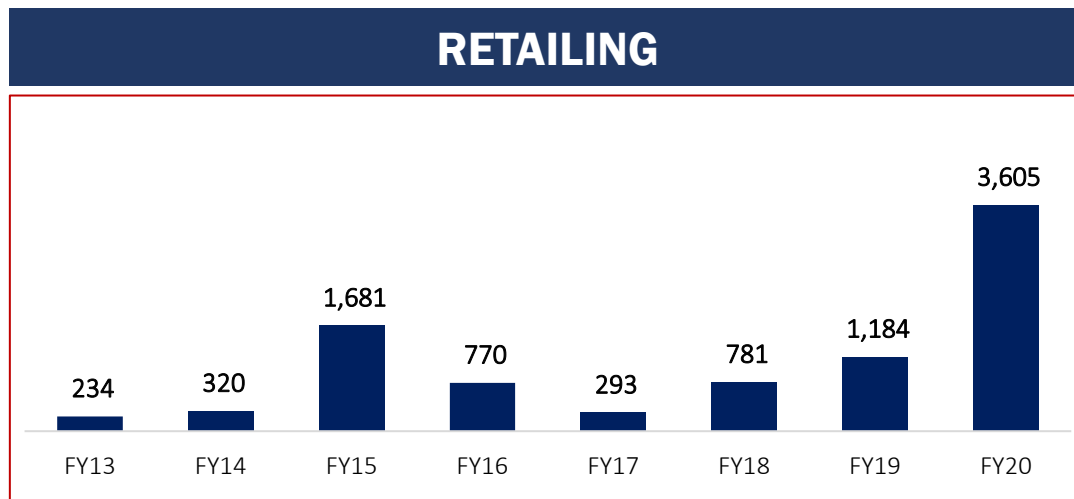
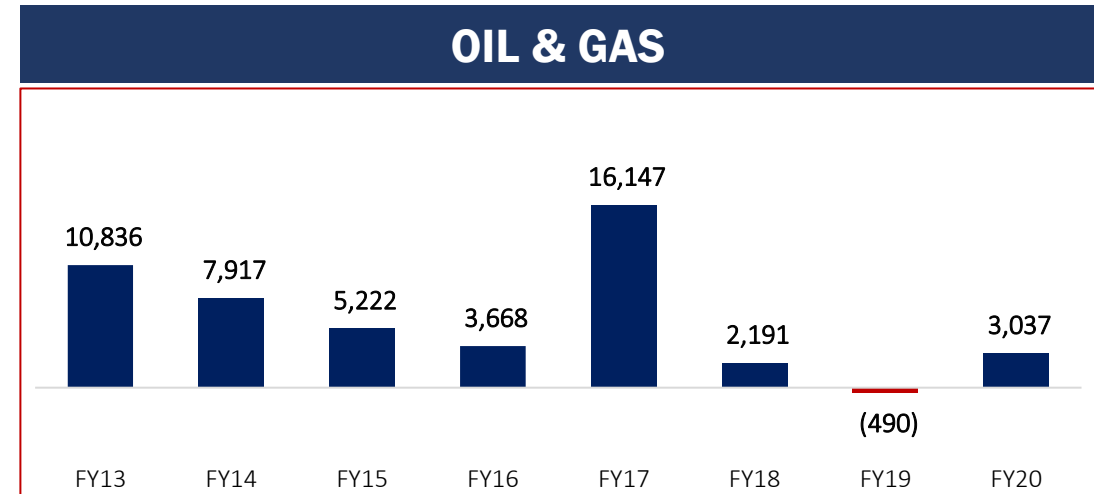
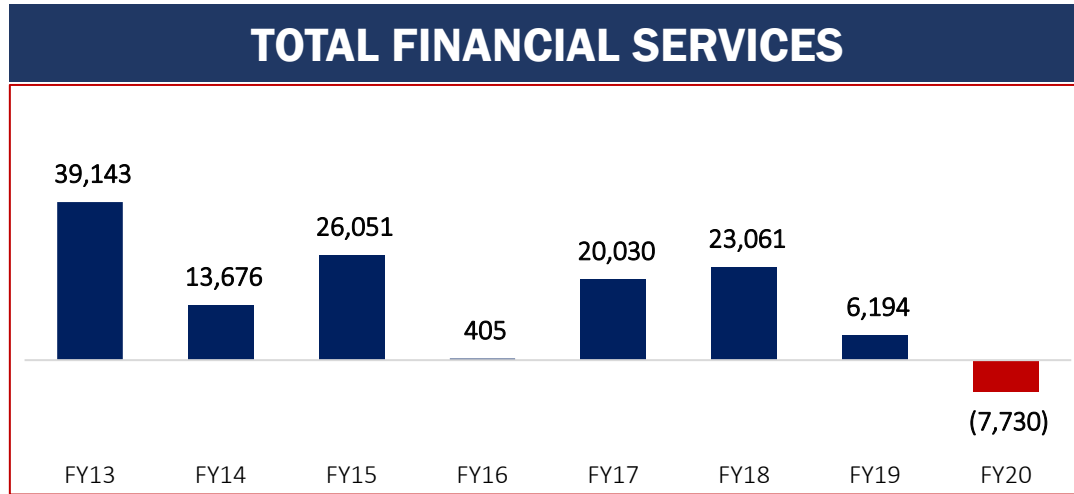
Note : Week 1 starts from January 6th , 2020

25-04-2020

FIIs – Bot Financials, Retailing, Reliance



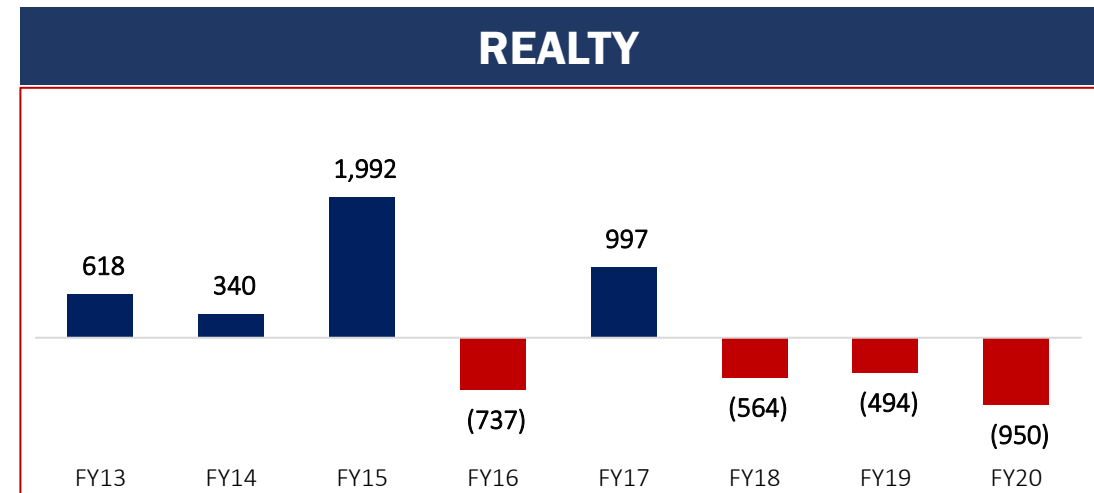
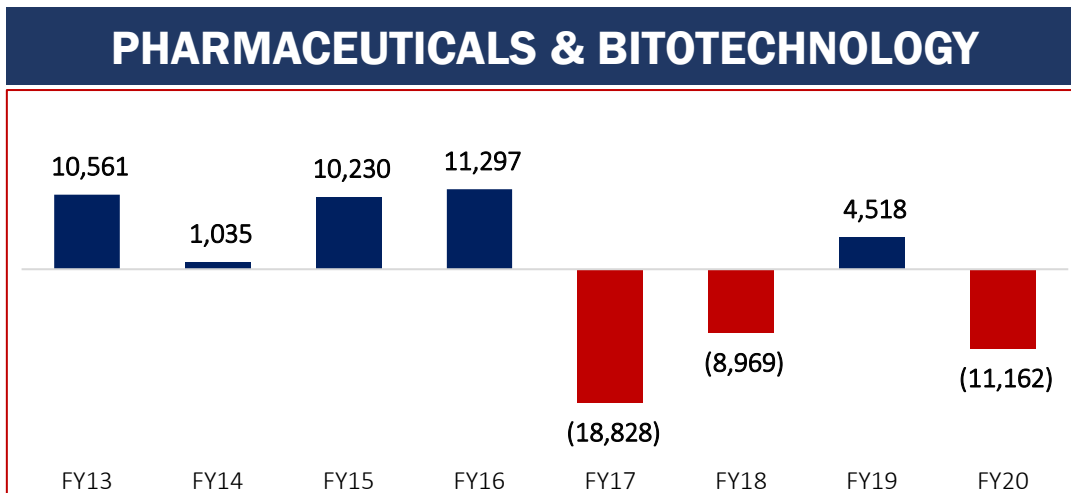
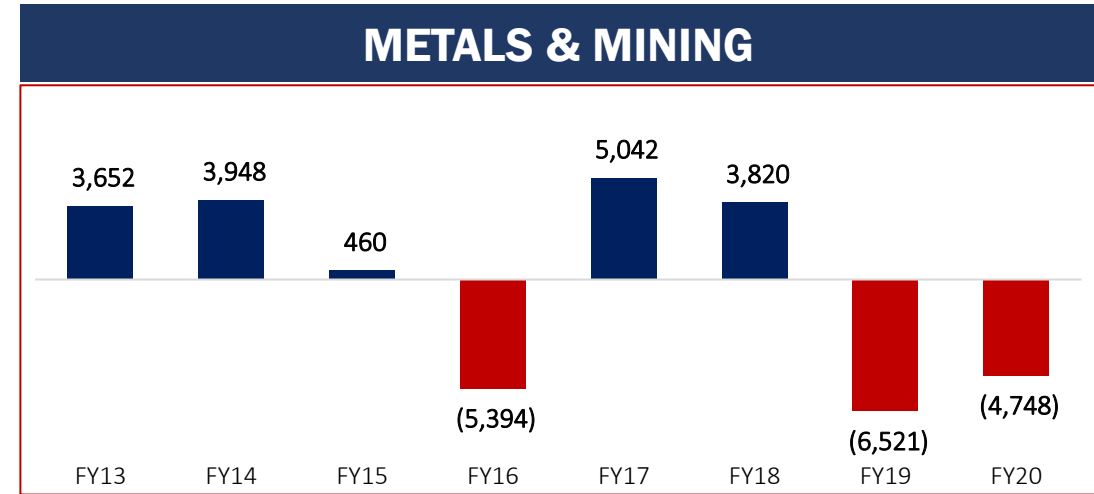
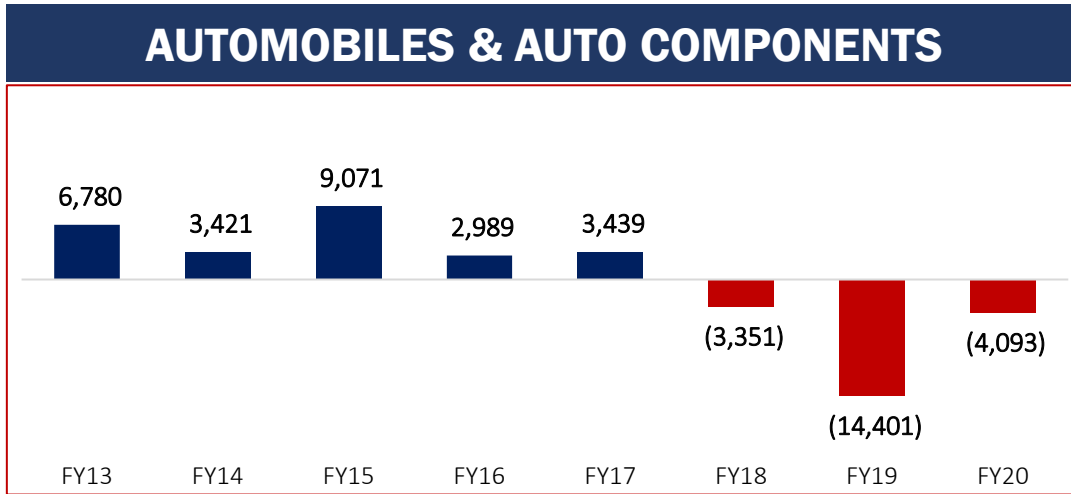
Note : All amount in INR Cr



FIIs - while selling autos and pharma



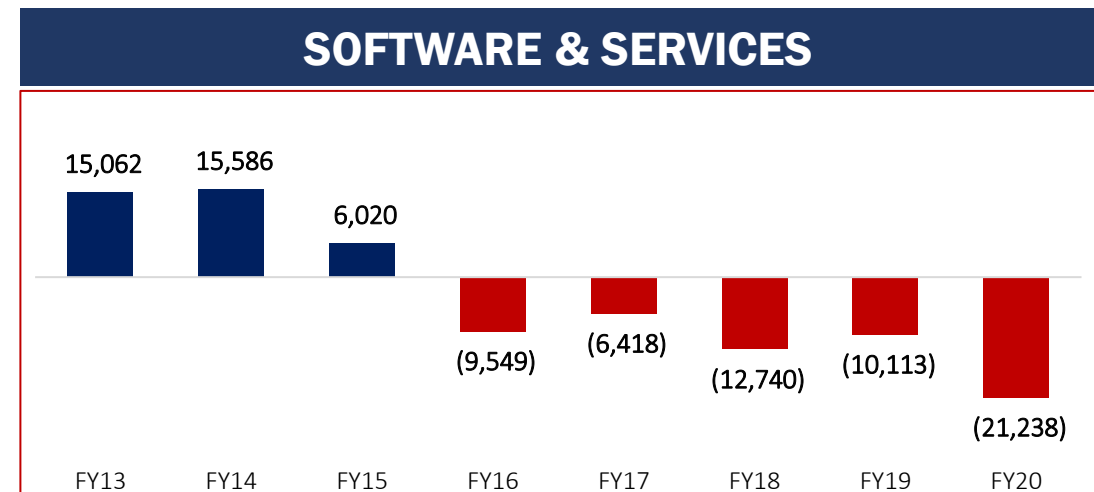
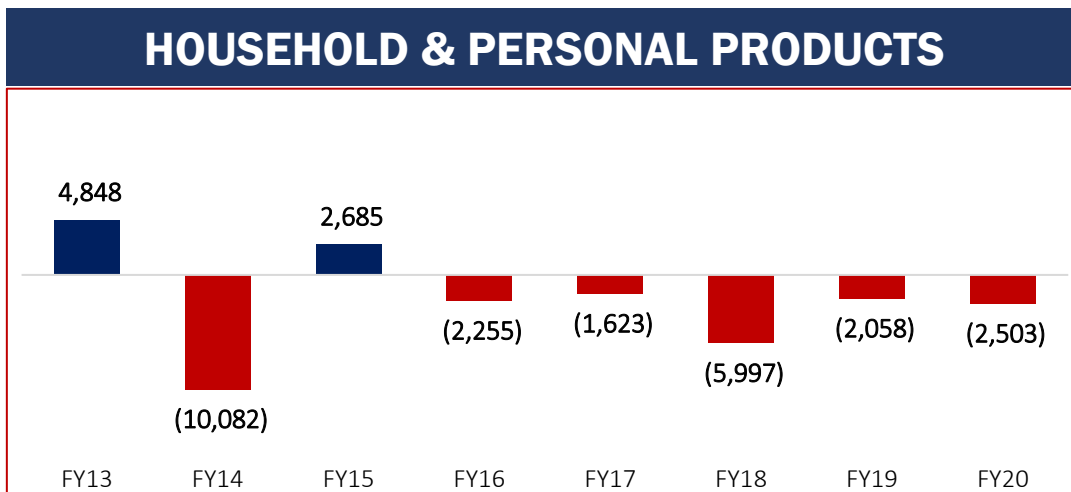
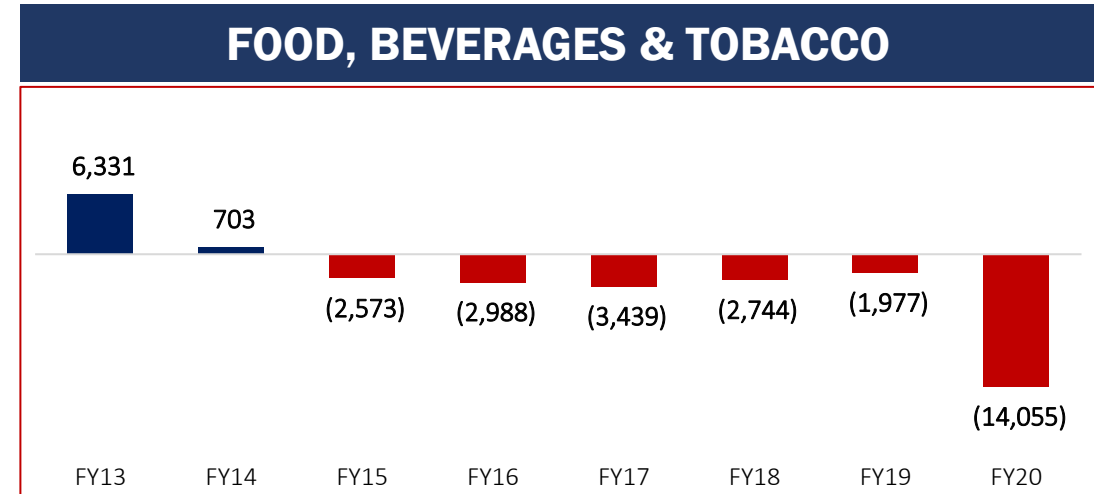
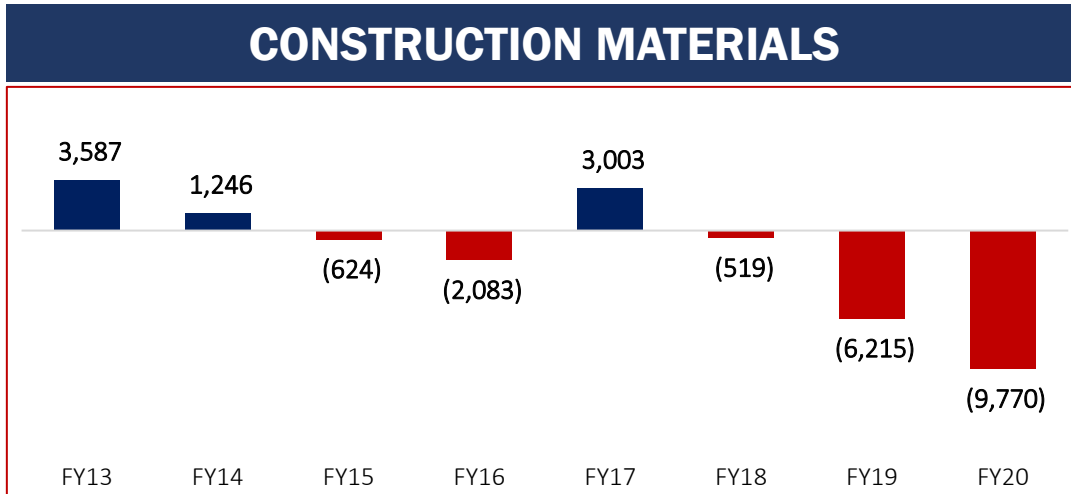
Note : All amount in INR Cr



FII - and avoided IT, ITC and Tiles



Note : All amount in INR Cr



DII continue to be positive

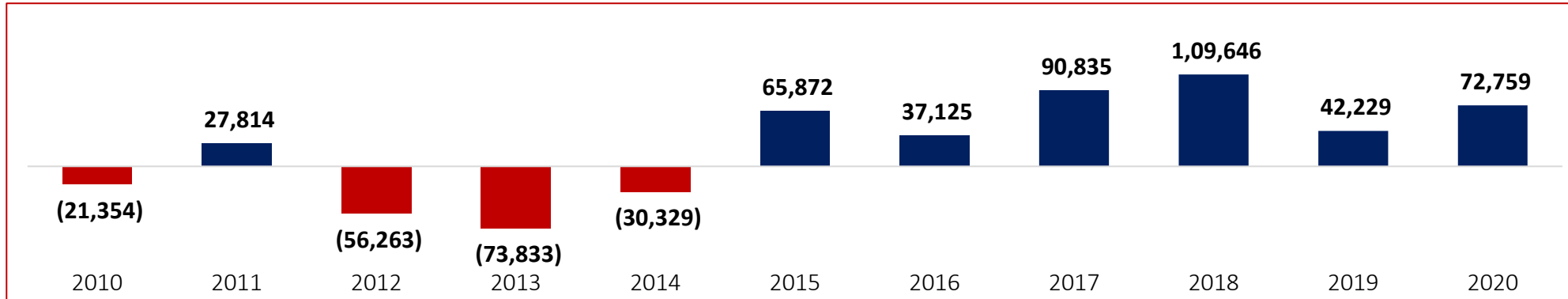
Retail accounts surge



Go India Advisors

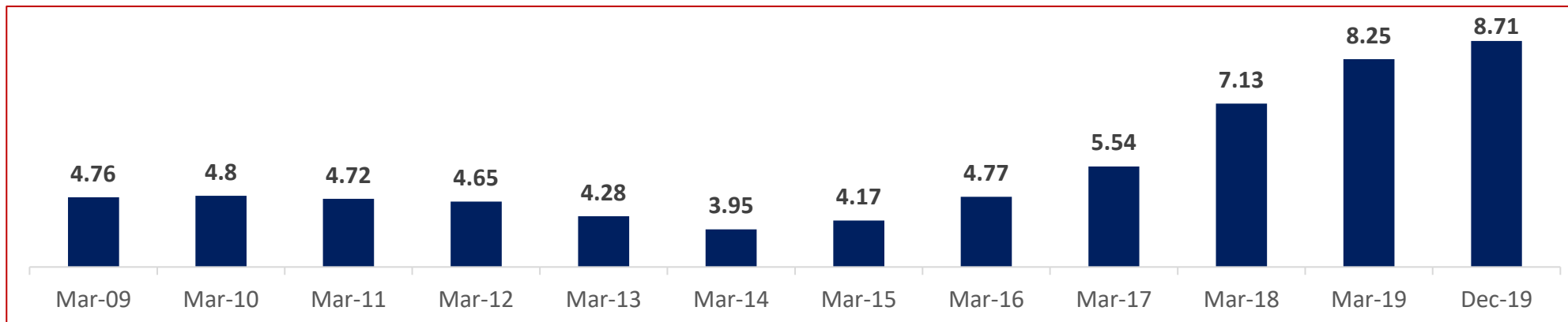
Weekly Newsletter

DII Net Flows in Equities (INR Cr)



Note : all above years are CY and not FY.

Retail Investor Accounts (Cr)



Note : Account refers to a folio. An investor may have multiple accounts in a single fund or across funds.

25-04-2020

What GIA Analysts are Saying



Go India Advisors
Newsletter

INFRA: Road to economic revival post Covid-19....

This week, Ankit explores how GOI is prioritising two largest employers – Agriculture and Construction sectors for a strong economic revival post Covid-19. In his note, he discusses how GOI is aiming to double the highway construction target to support and boost the employment and economic activity in the country. [Read it here.](#)

Featured Analysts:



ankit@goindiaadvisors.com

CA and CFA, loves good Marwari food. Has an amazing sense of humour.


GIA Analysts are young, energetic people who are deeply passionate about research. They argue fiercely, work with high integrity and can have wittiest conversations. Want to know more about them.

Read here: <https://goindiaadvisors.com/team>




Important Upcoming Events...

27 April 2020

 Hong Kong – Exports/Imports


  South Korea, Brazil – Consumer Confidence

 Russia – Retail Sales, Real Wage Growth, Unemployment Rate, GDP

 Japan – Jobs/Applications Ratio, Unemployment Rate, Interest Rate Decision

28 April 2020

 USA – Goods Trade Balance, S&P/CS HPI Composite, Richmond Manufacturing Index

 New Zealand – Trade Balance, Participation Rate, Unemployment Rate


   Japan, Brazil, Australia - CPI


 South Korea – Manufacturing BSI Index, Industrial Production


29 April 2020


 Italy - PPI


 South Africa - CPI

 Euro Zone - Consumer Confidence, M3 Money Supply, Industry and Services Sentiment


 Germany – CPI, HICP


 USA - GDP, PCE Prices, Crude oil inventories, Gasoline production, FOMC Statement


 China – Composite and Manufacturing PMI

 Singapore – Bank Lending, Unemployment Rate

30 April 2020


 Japan – Construction Orders, Household Confidence, CPI Manufacturing PMI

 Germany – Import Price Index, Retail Sales, Unemployment Rate

 South Africa – M3 Money Supply, Private Sector Credit


 France – CPI, PPI, Consumer Spending


 Spain – GDP, Current Account

 Italy – GDP, CPI, HICP

 India – Federal Fiscal Deficit, Infrastructure Output


 USA – PCE Price Index, Personal Income and Spending


 Canada – GDP, IPPI, RMPI

 Australia – PPI, AIG Manufacturing Index

1 May 2020

  USA, Canada – Manufacturing PMI

 South Africa – Total Vehicle Sales

 UK – BoE Consumer Credit, M4 Money Supply, Manufacturing PMI, Net Lending

Thank You



Go India Advisors

Newsletter

- Any suggestions for what will be useful for you to get a bird's eye view of the market, do write to us at hello@goindiaadvisors.com
- To check out more about the market, visit www.goindiastocks.com