

THE ECONOMIC POST

helping you make better financial and investment decision...



Build a fighting spirit– take the bad with the good

~Rakesh Jhunjhunwala

ep.

What's inside

- Editor's pick of the week
- News of the week
- International updates
- Capital markets tracker

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Editor's Pick



BATA INDIA TO BOOST GROWTH WITH FOCUS ON TOP BRANDS

Bata India is enhancing its market position by prioritizing its top six brands and expanding successful lines like Floatz and Power. CEO Gunjan Shah outlines a strategy focused on brand prominence and retail growth to drive same-store sales. The company operates over 1,850 stores across more than 1,500 towns, including franchise outlets and specialized stores. Upgrading in-store technology to 72% and achieving a 2% increase in operating profit margin highlight Bata India's commitment to growth and modernizing the customer experience.



INFOSYS TO REPORT 3% Q1 REVENUE GROWTH WITH FOCUS ON MEGA DEALS



Infosys is expected to achieve a 3% sequential revenue increase in Q1 FY24, driven by mega deals, efficiency improvements, and a one-time revenue adjustment, with a focus on BFSI sector trends.

AVENUE SUPERMART REPORTS FLAT MARGINS AMID RISING COSTS IN Q1FY25

Avenue Supermarts' Q1FY25 Margins Flat at 8.7% Due to Rising Costs, Despite 18.6% Revenue Growth. The Company Plans to Add 45 New Stores in FY25, Focusing on Larger Formats.



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DLF REPORTS 23% RISE IN PROFIT; SALES BOOKINGS JUMP TO ₹6,404 CRORE

DLF Ltd reported a 23% increase in Q1 profit to ₹645.61 crore, driven by record property sales of ₹6,404 crore due to strong housing demand. New sales bookings soared 214% year-over-year, largely from the successful 'Privana West' luxury project. Total income rose to ₹1,729.82 crore. The rental business also performed well, with DLF Cyber City Developers Ltd (DCCDL) posting a 10% revenue increase to ₹1,553 crore and a 20% rise in profit to ₹470 crore. DLF plans to launch 9 million square feet of new developments in key cities.



HINDUSTAN ZINC GETS INCOME TAX DEMAND OF ₹1,884 CR FOR AY 2013-14



The company claims that the NFAC's calculation of the demand was incorrect due to clerical and arithmetic errors, as well as a failure to consider pre-paid and regular assessment taxes. In response, the company filed a rectification application under section 154 of the Income Tax Act on July 26, 2024, to correct errors and ensure accurate assessment.

CRED LAUNCHES PRODUCT TO TRACK FINANCES

The new Cred product will be rolled out to its members in phases starting Thursday, making it one of the first fintechs to launch the offering. The product enables users to analyse spending patterns across multiple bank accounts and search spends by merchant category.



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AROUND 151 GW RENEWABLE CAPACITY UNDER IMPLEMENTATION IN INDIA

Renewable energy projects of about 151 GW capacity are under various stages of implementation in the country. The renewable energy capacity has increased over 2.5 times from 76 GW in 2014 to more than 195 GW as of June 2024.

FORD MAY CONSIDER TO RE-ENTER INDIAN MARKET

The proposal for re-entry is driven by the company's hopes to tap into growth opportunities in India at a time when China and Europe are giving insufficient business to the company. An indication of its re-think on India exit had come late last year when it decided to go back on a deal to sell its Chennai plant to Sajjan Jindal's JSW (it had sold its plant in Gujarat to Tata Motors).



INDIAN BANKS MADE REMARKABLE PROGRESS IN COUNTRY'S FIN INCLUSION

Indian banks had made "remarkable progress" in the country's financial inclusion goals in the past ten years. The number of adults with an account in a formal financial institution increased from 35% in 2011 to 77% in 2021.



IPHONES PRICE DROP BY UP TO ₹5,900: CHECK OUT NEW PRICES

Apple Inc has seen a dramatic growth in its revenues in the domestic market which have gone up seven fold from ₹11,000 crore in FY19 to an expected ₹67,000 crore in FY24.

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PAYTM GETS GOVERNMENT NOD FOR INVESTMENT IN PAYMENTS ARM: REPORT

India's Paytm has received government approval for a ₹50 crore (\$5.97 million) investment in its subsidiary, Paytm Payment Services, removing a major regulatory hurdle related to its connections with China. This approval has led to a 10% surge in Paytm's parent company, One97 Communications' share price, reaching ₹509.05 on the NSE, marking the first time the shares have exceeded ₹500 since February. Paytm Payment Services is crucial to the company's operations, contributing a quarter of its revenue in the last financial year. The company can now apply for a payment aggregator license from the central bank. Despite this positive development, Paytm's revenue fell by 36% year-over-year in the June quarter, and its net loss widened to ₹840 crore in Q1 FY25.

AAHL SUBMITS PROPOSAL TO UPGRADE NAIROBI AIRPORT UPGRADATION

The investment proposal under the public-private partnership has been submitted by Adani Airport Holdings Ltd (AAHL) for Nairobi's Jomo Kenyatta International Airport (JKIA). AAHL's proposal will be subjected to technical, financial and legal reviews alongside requisite due processes in compliance with the Public Private Partnerships Act 2021.



CHOLA MS GENERAL INSURANCE RECORD GWP OF ₹1,945 CR IN Q1

The company achieved a Gross Written Premium of ₹1,945 crore in Q1 of the current financial year, a growth of 14.3% compared to the industry average of 12.4%. The company said it has made investments in Data Analytics and Artificial Intelligence for claims made in the motor insurance sector through its SAHAI mobile application in an attempt at enhancing its operations.

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HDFC BANK HIKES FIXED DEPOSIT RATES BY UP TO 20 BASIS POINTS

HDFC Bank has raised interest rates on fixed deposits for tenors of 35 and 55 months by 20 basis points to 7.35% and 7.40%, respectively, starting July 24. This move aims to support its credit growth and manage its high credit-deposit ratio. Despite the increase, HDFC Bank emphasizes that it will not compete aggressively on interest rates, focusing instead on service quality and customer engagement. In contrast, public sector banks like SBI and BoB are offering special deposit schemes with higher rates—7.25% for SBI's 444-day scheme and up to 7.25% for BoB's Monsoon Dhamaka Deposit Scheme—to attract more deposits.

L&T BAGS ORDER TO BUILD SOLAR POWER PROJECTS IN WEST ASIA

Larsen & Toubro (L&T) has secured a deal to construct two Gigawatt-scale solar power plants in West Asia, with a combined capacity of 3.5 GW. The contract, valued between ₹10,000 and ₹15,000 crore, includes grid interconnections and transmission infrastructure. Initial engineering and construction work will begin soon. L&T's renewable energy expansion aligns with its focus on next-generation technologies.



ADB GREENLIGHTS \$240.5 MILLION LOAN FOR INDIA'S ROOFTOP SOLAR



The Asian Development Bank (ADB) has approved a \$240.5 million loan to support rooftop solar systems in India, advancing the country's renewable energy goals. This funding will be used for tranches 2 and 3 of the Solar Rooftop Investment Program, which focuses on residential solar installations, and will be distributed through the State Bank of India (SBI) and the National Bank for Agriculture and Rural Development (NABARD).

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INTERNATIONAL UPDATES

Intel to Cut Over 15,000 Jobs Amid Struggles to Turn Itself Around



Intel, the Silicon Valley chip maker, said on Thursday that it would slash more than 15,000 jobs to aid a turnaround plan, as the company tries to recover after a series of stumbles.

The job cuts amount to 15 percent of Intel's workforce. The company also announced other restructuring moves and a reduction in capital spending, which are expected to cut costs by \$10 billion in 2025. To conserve cash, Intel said, it will suspend its quarterly dividend in the fourth quarter.

Intel said on Thursday that revenue in its data center business fell 3% in the second quarter. In contrast, AMD on Tuesday reported a 115 percent jump for its data center business.

Overall, Intel swung to a loss of \$1.6 billion in the second quarter, while revenue fell 1% to \$12.8 billion.

South Korea's Inflation Reaccelerates in July

The benchmark consumer-price index rose 2.6% from a year earlier, following a 2.4% gain in June. South Korea's headline inflation picked up at a stronger-than-expected pace in July, reaccelerating due to higher prices for agricultural and oil products, after easing for three consecutive months.



Bank of England Cuts Rates After Fed Held Off



The Bank of England cut interest rates from a 16-year high on Thursday after a narrow vote in favour from policymakers divided over whether inflation pressures had eased sufficiently.

Governor Andrew Bailey - who led the 5-4 decision to lower rates by a quarter-point to 5% - said the BoE's Monetary Policy Committee would move cautiously going forward.

"We need to make sure make sure inflation stays low, and be careful not to cut interest rates too quickly or by too much," he said in a statement alongside the decision.

Thursday's decision was in line with the forecast in a Reuters poll of economists but financial markets had only seen just over a 60% chance of a cut.

Weekly Newsletter

CAPITAL MARKET

ISSUE #11 | August 2024

INDIAN MARKET

(From 22nd- 26th July,2024)

OVERVIEW

The key equity barometers experienced decent gains for the eighth consecutive week, with the broader market outperforming frontline indices. However, key barometers slipped in four out of five trading sessions. The Nifty remained above the 24,800 level. The S&P BSE Sensex rose 0.90% to 81332.72, the Nifty 50 added 1.24% to 24834.85, and the BSE Mid-Cap index jumped 3.13% to close at 47706.67. The BSE Small-Cap index advanced 3.45% to settle at 54,294.35.

(From 22nd- 26th July,2024)

The domestic equity barometers ended the week lower after a market correction, breaking an eight-week gaining streak. On the weekly basis, the BSE Mid-Cap index saw small losses, while the BSE Small-Cap index edged higher. The Nifty fell below the 24,750 mark. On 2 August 2024, The S&P BSE Sensex fell 350.77 points to 80,981.95, the Nifty 50 index declined 117.15 points to 24,717.70, the BSE Mid-Cap index fell 0.07% to 47,675.23, and the BSE Small-Cap index added 0.62% to 54,629.29.

Nifty 50



*As per 2- August

Weekly Newsletter

CAPITAL MARKET

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WEEKLY INDEX MOVEMENTS

NIFTY 50 TOP 5 GAINERS

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
NTPC	419.70	396.30	5.90	23.40
BPCL	347.10	328.80	5.57	18.30
Asian Paints	3106.70	2950.15	5.31	156.55
Divi's Lab	4991.25	4790.60	4.19	200.65
Power Grid Corp	358.25	344.20	4.08	14.05

NIFTY 50 TOP 5 LOSERS

Company Name	Last Price(₹)	Prev Price(₹)	Change(%)	Change(₹)
Eicher Motors	4726.70	5012.50	-5.70	-285.80
LTIMindtree	5509.90	5788.45	-4.81	-278.55
Grasim Industries	2706.80	2843.30	-4.80	-136.50
Mahindra - Mahindra	2749.65	2887.80	-4.78	-138.15
Wipro	502.15	524.80	-4.32	-22.65

- S&P BSE Sensex and Nifty 50 index ended flat on Monday, with slight gains on Tuesday.
- On Wednesday, the S&P BSE Sensex rose by 285.94 points to 81,741.34, while the Nifty 50 index added 93.85 points to 24,951.15.
- On Thursday, the S&P BSE Sensex rose by 126.21 points to 81,867.55, while the Nifty 50 index rose by 59.75 points to 25,010.90.
- On Friday, the key equity indices fell, with the S&P BSE Sensex falling by 885.60 points to 80,981.95. The Nifty 50 index dropped 293.20 points to 24717.70.

*As per 2- August

INDIAN ECONOMY

Finance Minister Nirmala Sitharaman maintains fiscal deficit target at 4.9% of GDP in the Union Budget 2024. It is a reduction from the 5.1% target in the interim budget.

The HSBC India Manufacturing Purchasing Managers' Index (PMI) stood at 58.1 in July, as against 58.3 in June. The latest reading was above the series long-run average and one of the highest seen in recent years.

India's forex reserves hit a record high of \$670.86 billion as of July 19, the RBI announced on Friday.

Weekly Newsletter

GLOBAL MARKET

ISSUE #11 | August 2024

UNITED STATES*

The major benchmarks closed lower due to the busy week of earnings reporting and monthly economic data. The recent rotation towards value stocks and small-caps stalled, with the Russell 2000 Index pulling back. However, an equal-weighted version of the S&P 500 Index held up better than its market-weighted counterpart, indicating the market's performance broadened away from technology-oriented giants. The Nasdaq Composite pulled back over 10% from its July high, experiencing a technical correction.

JAPAN*

Japan's stock markets experienced heavy losses during a hawkish turn from the Bank of Japan, with the Nikkei 225 Index falling 4.7% and the TOPIX Index down 6.0%. On the final day of the week, the Nikkei's absolute drop was among the biggest in its history, comparable to the 2020 coronavirus pandemic and 1987's "Black Monday" global stock market crash.

MIDDLE EAST*

Oil prices surged following the death of Hamas' political chief in Iran, amid Middle East war concerns, but the Brent crude index fell later in the week due to global economic growth slowdown.

EUROPE*

The STOXX Europe 600 Index ended 2.92% lower due to weak U.S. economic data, causing global market concerns. Major stock indexes, including Germany's DAX fell 4.11%, France's CAC 40 Index tumbled 3.54%, Italy's FTSE MIB lost 5.30%, and the UK's FTSE 100 Index declined 1.34%.

CHINA*

Chinese equities experienced mixed sentiment due to weak manufacturing data, with the Shanghai Composite Index increasing by 0.5% and the CSI 300 losing 0.73%, while the Hang Seng Index in Hong Kong declined 0.45%.

GLOBAL INDICES

Name	Symbol	Last	Open	High	Low	Chg.	Chg. (%)
S&P 500	US500	5,346.56	5,376.63	5,383.89	5,302.03	-100.12	-1.84%
Nasdaq	IXIC	16,776.16	16,780.45	16,920.63	16,582.79	-417.99	-2.43%
DAX	DE40	17,661.22	17,884.86	17,918.02	17,623.97	-421.83	-2.33%
FTSE 100	UK100	8,174.71	8,283.36	8,283.36	8,158.03	-108.65	-1.31%
CAC 40	FCHI	7,251.80	7,330.60	7,350.29	7,227.79	-118.65	-1.61%
RTSI	IRTS	1,065.57	1,075.16	1,076.78	1,060.30	-12.50	-1.16%
Nikkei 225	JP225	35,917.50	36,518.00	36,668.50	35,878.00	-2182.00	-5.73%
Hang Seng	HK50	16,945.51	17,025.26	17,075.52	16,865.93	-359.45	-2.08%
KOSPI	KS11	2,676.19	2,719.39	2,725.05	2,666.40	-101.49	-3.65%

*As per 2- August



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The Economic Post recently released its monthly journal - the ep. Epistle. Check out the latest monthly edition of the EP. Epistle July 2024 Edition



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