

# THE ECONOMIC POST

HELPING YOU MAKE BETTER FINANCIAL AND INVESTMENT DECISION..

## What's inside

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

I'm only rich because I know when I'm wrong...I basically have survived by recognizing my mistakes.

~George Soros

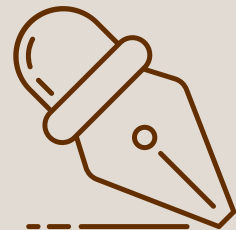


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# Editors Pick



## BHARAT COKING COAL PAYS ITS FIRST-EVER DIVIDEND TO COAL INDIA



The company is planning to increase its production from around 41.1 million tonnes of coal in the last financial year to around 100 million tonnes by FY30. Bharat Coking Coal Limited (BCCL), also paid its first-ever dividend of ₹44.43 crore to its parent company on Sunday.

## ICICI PRUDENTIAL LIFE INSURANCE'S AUM CROSSES ₹3 TRILLION IN JULY



The company said claims are crucial for its reputation and are treated with the highest level of care and efficiency. Shares of ICICI Prudential Life Insurance company were trading at ₹725.00 a piece at 11:21 AM on NSE on Thursday.

## RBI FINES VISA FOR UNAUTHORISED PAYMENT METHODS



The Reserve Bank of India imposed a penalty of ₹2.41 crore (nearly \$288,000) over what it says was the implementation of a payment authentication solution, that was not given regulatory clearance by the RBI.

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## INDIA'S FOREX KITTY HIT FRESH RECORD HIGH OF \$675 BILLION: RBI

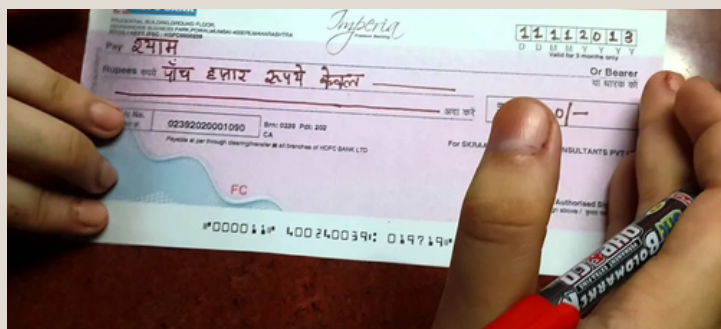
Foreign currency assets, a major component of the reserves, increased by \$5.162 billion to \$592.039 billion. India's reserve position with the IMF rose by \$8 million to \$4.62 billion in the previous week.

## BYJU'S US LENDERS FILE INSOLVENCY-QUASHING ORDER BEFORE SC

Glas Trust, on August 7 filed an appeal before the Supreme Court, challenging the National Company Law Appellate Tribunal (NCLAT)'s verdict that allowed Byju's and Board of Control for Cricket in India (BCCI), the cricket control board of the country, to settle a \$19 million payment case.



## CONTINUOUS CLEARING OF CHEQUES TO STREAMLINE FINANCIAL OPERATIONS



This change is anticipated to streamline financial operations, improve liquidity, and reduce uncertainties associated with cheque-based transactions. The RBI will issue detailed guidelines on this new system soon, further clarifying how the transition will be implemented.

## OLA ELECTRIC'S SHARES SURGES 10% IN DEBUT TRADE ON FRIDAY



The company's valuation reached ₹369.45 billion (\$4.40 billion), marking the first stock offering by a pure-play electric vehicle maker in India. Ola Electric's initial public offering, which raised \$734 million, attracted bids worth approximately \$1.8 billion throughout the week, making it the largest IPO in the country so far in 2024.

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# INTERNATIONAL UPDATES

## Czechs plan to purchase ammunition for Ukraine using income from frozen Russian assets.



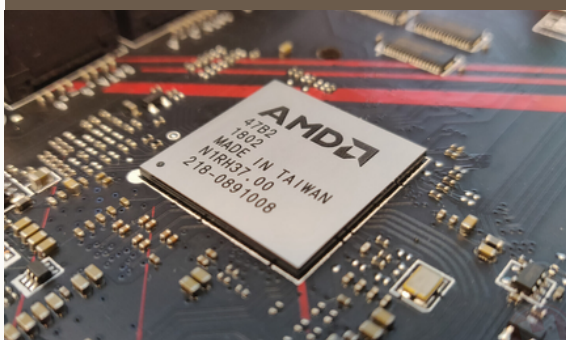
The Czech Republic plans to use the interest earned on Russian assets frozen in the European Union to buy more large-calibre ammunition for Ukraine. Western countries blocked about \$300 billion worth of sovereign Russian assets after Russia launched its invasion of Ukraine in February 2022.

EU countries are taking the interest earned on the assets, including bonds and securities bought by the Russian central bank, and putting it into an EU fund to aid Ukraine in fighting the Russian invasion.

The Czech Defence Ministry has been leading an effort to buy artillery ammunition for Ukraine worldwide, funded by Western partners. The Kremlin has called the plan to use interest earned on frozen Russian assets to fund military aid to Ukraine "theft" and will take legal action against anyone involved in the decision.

## AMD is set to acquire server builder ZT Systems for \$4.9 billion in cash and stock.

AMD plans to acquire server maker ZT Systems for \$4.9 billion to expand its artificial intelligence chip and hardware portfolio and compete with Nvidia. The company plans to pay 75% of the acquisition with cash and the remainder in stock.



## Euro zone business growth slowed sharply in June, PMI shows



Chinese property company Kaisa Group has announced an offshore debt restructuring agreement with a key group of bondholders, swapping existing debt into new notes and shares. The move follows the company's default on \$12 billion in offshore bonds in late 2021.

Kaisa is the second-largest offshore debt issuer among Chinese developers and is the first among its peers to default on dollar bonds. The restructuring plan covers other debts including loans and yuan-denominated asset-backed securities.

The company may also propose a management incentive plan to issue up to 3.33% ordinary shares of Kaisa. The key bondholder group, representing over 34% of its debt covered in the restructuring, has agreed to the plan.

# THE ECONOMIC POST

## NEWS OF THE WEEK

### RBI'S MPC KEEPS REPO RATE UNCHANGED AT

# 6.5%

The Reserve Bank of India-led Monetary Policy Committee (MPC) on Thursday decided to keep the repurchase rate (repo rate) unchanged at 6.5% for the ninth time in a row, with a majority of 4-2. The MPC decided to keep its stance of "withdrawal of accommodation" unchanged. Four out of six MPC members voted in favour of the rate decision, Reuters reported. "Headline inflation, after remaining steady at 4.8%, climbed to 5.1% in June. The expected moderation in inflation expected in Q2 (of the current financial year) due to base effects is expected to reverse in the third quarter... Ensuring price stability eventually leads to sustained growth," said RBI Governor Shaktikanta Das in his monetary policy statement. Forecast for India's economic growth in FY25 remains unchanged at 7.2%, said the statement. However, the forecast for the first quarter was revised to 7.1% from the earlier projection of 7.3%.

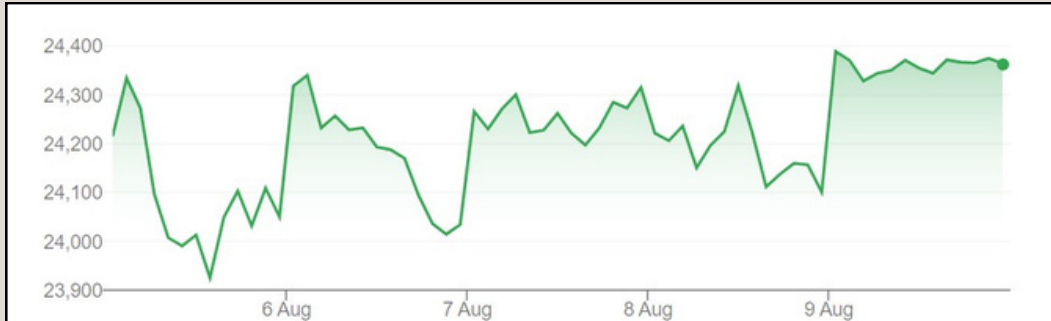


The MPC, in its previous meeting, had revised the growth forecast to 7.2% from 7%. The growth for the first quarter of the next financial year was projected at 7.2%. The Indian economy grew at 8.2% in FY24. The MPC left its inflation forecast for this fiscal year (FY25) unchanged at 4.5%, even amid caution on food price trajectory that may hurt core inflation and intensifying geopolitical tensions which poses threat to any comfort on crude prices

any comfort on crude prices easing to multi-month lows. RBI Governor Shaktikanta Das has consistently emphasized the need to maintain focus on reducing inflation towards the 4% target sustainably before considering a policy shift. The MPC last changed rates in February 2023, when the policy rate was raised to 6.50%. The annual retail inflation rate rose for the first time in five months in June, climbing above 5% on the back of a jump in food prices.

# CAPITAL MARKET

## Nifty 50



As per 9- August\*

## Market Overview

The domestic equity benchmarks experienced a second consecutive week of decline due to global market turmoil.

On a weekly basis, the benchmarks were lower for the three out of five trading sessions. The S&P BSE Sensex fell 1.58% to settle at 79,705.91, the Nifty 50 index shed 1.42% to settle at 24,367.50, the BSE Mid-Cap index fell 1.01% to close at 47,192.27 and the BSE Small-Cap index fell 1.86% to end at 53,614.37.

## Economy Overview

The Reserve Bank of India's Monetary Policy Committee has decided to maintain the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50%.

The HSBC India Services Business Activity Index reached 60.3 in July, slightly below 60.5 but still above the neutral 50.0 mark for the thirty-sixth consecutive month.

CPI inflation for 2024-25 remains at 4.5%, with quarterly breakdowns for Q2 at 4.4%, Q3 at 4.7%, and Q4 at 4.3%, and Q1:2025-26 at 4.4%.

## Weekly Index Movement

- On Monday, domestic shares tanked due to fears of a US recession. The S&P BSE Sensex and Nifty 50 indexes fell 2.74% and 2.68% respectively.
- On Tuesday, domestic equity indices reversed early gains to end lower. The S&P BSE Sensex was down 0.21% to 78,593.07. The Nifty 50 index lost 63.05 to settle at 23,992.55.
- On Wednesday, the S&P BSE Sensex and Nifty 50 indexes regained momentum, ending a three-day losing streak.
- On Thursday, the Reserve Bank of India maintained its status quo on interest rates due to persistent food inflation. The S&P BSE Sensex, was down 0.73% to 78,886.22. The Nifty 50 index slipped 180.50 points or 0.74% to 24,117.
- On Friday, the S&P BSE Sensex and Nifty 50 indexes saw robust gains. The S&P BSE Sensex, was up 1.04% to 79,705.91. The Nifty 50 index gained 250.50 points or 1.04% to 24,367.50.





# Top Mid-Cap funds in India sorted by return

## 1. Motilal Oswal Midcap Fund

Motilal Oswal Midcap Fund Direct-Growth is a Mid Cap mutual fund scheme from Motilal Oswal Mutual Fund. This fund has been in existence for 10 yrs 6 m, having been launched on 03/02/2014. Motilal Oswal Midcap Fund Direct-Growth has ₹14,446 Crores worth of assets under management (AUM) as on 30/06/2024 and is medium-sized fund of its category. The fund has an expense ratio of 0.61%.

## 2. Quant Mid Cap Fund

Quant Mid Cap Fund Direct-Growth is a Mid Cap mutual fund scheme from Quant Mutual Fund. This fund has been in existence for 11 yrs 7 m, having been launched on 01/01/2013. Quant Mid Cap Fund Direct-Growth has ₹9,283 Crores worth of assets under management (AUM) as on 30/06/2024 and is medium-sized fund of its category. The fund has an expense ratio of 0.58%.

## 3. Edelweiss Mid Cap Fund

Edelweiss Mid Cap Direct Plan-Growth is a Mid Cap mutual fund scheme from Edelweiss Mutual Fund. This fund has been in existence for 11 yrs 7 m, having been launched on 01/01/2013. Edelweiss Mid Cap Direct Plan-Growth has ₹6,994 Crores worth of assets under management (AUM) as on 30/06/2024 and is medium-sized fund of its category. The fund has an expense ratio of 0.3%

## 4. Nippon India Growth Fund

Nippon India Growth Fund Direct- Growth is a Mid Cap mutual fund scheme from Nippon India Mutual Fund. This fund has been in existence for 11 yrs 7 m, having been launched on 01/01/2013. Nippon India Growth Fund Direct- Growth has ₹32,971 Crores worth of assets under management (AUM) as on 30/06/2024 and is medium-sized fund of its category. The fund has an expense ratio of 0.79%.

## 5. HDFC Mid-Cap Opportunities Fund

HDFC Mid-Cap Opportunities Direct Plan-Growth is a Mid Cap mutual fund scheme from Hdfc Mutual Fund. This fund has been in existence for 11 yrs 7 m, having been launched on 01/01/2013. HDFC Mid-Cap Opportunities Direct Plan-Growth has ₹75,382 Crores worth of assets under management (AUM) as on 30/06/2024 and is medium-sized fund of its category. The fund has an expense ratio of 0.74%,

# GLOBAL INDICES

Name	Symbol	Last	Open	High	Low	Chg	Chg % :
S&P 500	US500	5,344.16	5,314.66	5,358.67	5,300.84	+24.85	+0.47%
Nasdaq	IXIC	16,745.30	16,636.52	16,789.22	16,574.58	+85.28	+0.51%
DAX	DE40	17,722.88	17,672.90	17,788.72	17,618.42	+42.48	+0.24%
FTSE 100	UK100	8,168.10	8,144.97	8,203.46	8,144.43	+23.13	+0.28%
CAC 40	FCHI	7,269.71	7,259.70	7,319.51	7,233.69	+22.26	+0.31%
RTSI	IRTS	1,035.75	1,034.21	1,043.48	1,029.81	-2.35	-0.23%
Nikkei 225	JP225	35,081.00	35,540.00	35,718.50	34,440.00	+257.50	+0.74%
Hang Seng	HK50	17,090.23	17,097.36	17,252.22	17,079.35	+198.40	+1.17%
KOSPI	KS11	2,588.43	2,603.08	2,603.08	2,575.90	+31.70	+1.24%

As per 9 - 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 June 2024 Edition**



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