

# THE ECONOMIC POST

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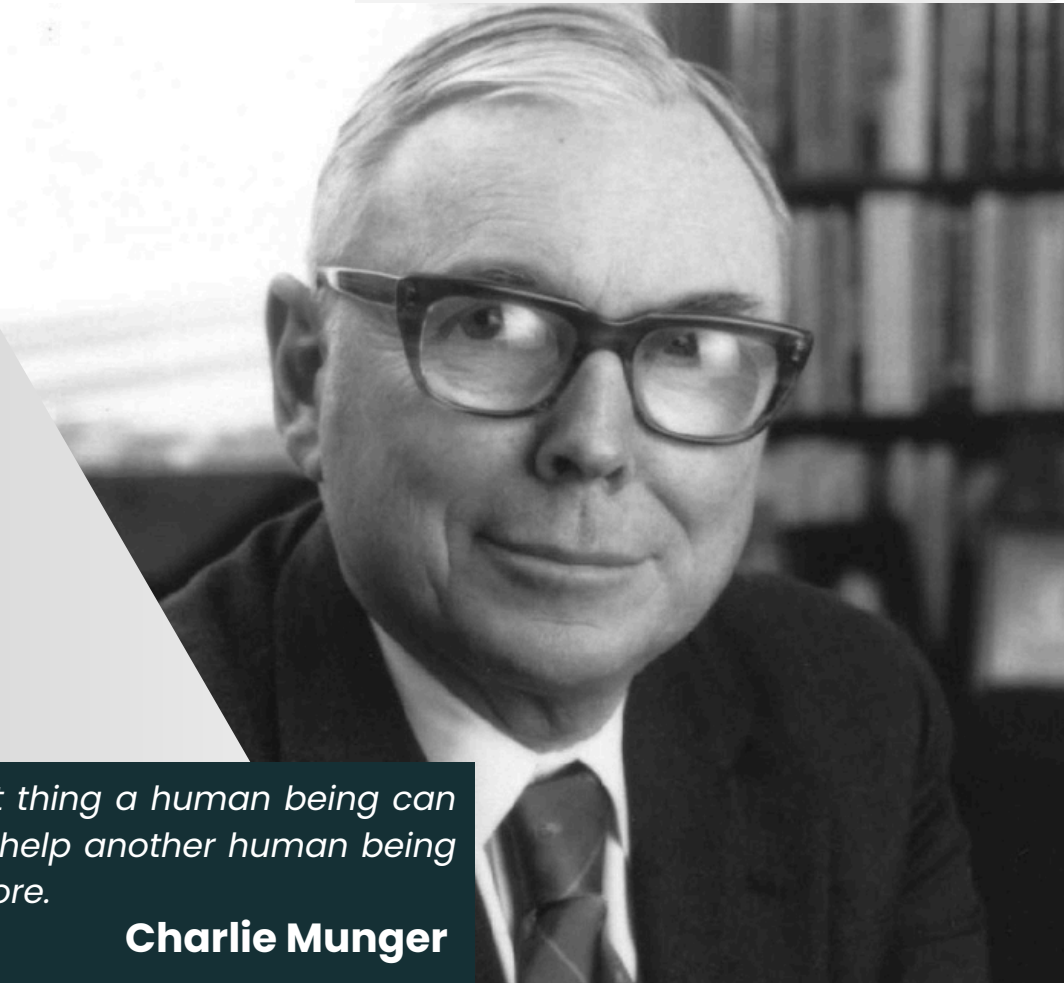
## What's inside

- Editor's pick of the week
- News of the week
- ep. Tech Buzz
- Capital markets tracker
- International update

## Big Stories of the week

*Britannia foresees FMCG market rebound in FY25*

*Full operation of GSTAT benches expected by January 2025*

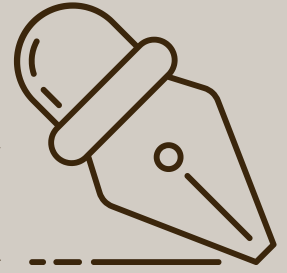


*The best thing a human being can do is to help another human being know more.*

**Charlie Munger**

WEEKLY NEWSLETTER

# Editors Pick



## ADANI GROUP SEEKS \$600 MILLION OFFSHORE LOAN TO REFINANCE DEBT



The financing is slated to be facilitated by Dhamra LNG Terminal Pvt., a subsidiary of Adani Total Pvt., according to sources requesting anonymity due to the sensitive nature of the information. The loan's duration may span from three to five years, with pricing expected to be tied to the Secured Overnight Financing Rate (SOFR).

## SHAPOORJI PALLONJI (SP) GROUP TAPS POWER FINANCE CORP FOR \$1.2 BN LOAN

SP Group has begun talks with Power Finance Corporation to secure as much as \$1.2 bn to refinance part of the ₹20,000 cr debt maturing in the last week of May, people directly aware of the discussions said. SP Group pledged its 18% stake in Tata Sons, the holding company of the Tata Group, as collateral for the original loan.

## SUPREME COURT DECLINES MSES' CHALLENGE TO 45-DAY PAYMENT RULE



Supreme Court rejects MSEs' challenge to 45-day payment rule under Income Tax Act . This decision comes in response to a petition filed by the Federation of All India Vyapar Mandal, representing the interests of MSEs across the country.



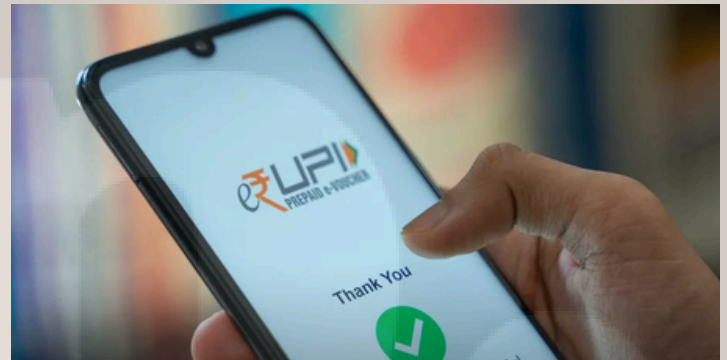


## HAPPIEST MINDS' \$8.5M ACQUISITION: AUREUS TECH JOINS FORCES

Happiest Minds Technologies acquires US-based Aureus Tech Systems for \$8.5 million, aiming to strengthen domain capabilities in insurance and healthcare sectors, with strategic focus on digital engineering services.

## REC GETS RBI APPROVAL TO SET UP SUBSIDIARY IN GIFT CITY

The decision to expand operations into GIFT, a burgeoning hub for financial services in India, comes as REC continues to diversify its portfolio and explore new avenues for growth.



## INDIA AND GHANA WORKING TO LINK UPI & GHANA'S GHIPSS

The bilateral trade between India and the West African nation Ghana has increased to USD 2.87 billion in 2022-23 from USD 2.6 billion in 2021-22.

## DIXON PARTNERS WITH NOKIA FOR TELECOM PRODUCT MANUFACTURING

Dixon's subsidiary partners with Nokia for telecom product development and manufacturing at Noida and Uttar Pradesh facilities. Atul B Lall expresses optimism for India's manufacturing competitiveness. Dixon's shares marginally lower despite positive partnership.



## THE ECONOMIC POST

# RBI gov discusses ways to extend UPI ecosystem with stakeholders

- RBI Governor Shaktikanta Das led discussions with banks and stakeholders to enhance the UPI ecosystem, focusing on scaling up, product expansion, and fostering innovative payment solutions.

- The meeting addressed challenges faced by the UPI ecosystem and solicited innovative ideas to integrate potential users into the platform.

- Attendees included bank officials, NPCI executives, third-party application providers, and technology service providers, alongside Deputy Governor T Rabi Sankar and other senior RBI officials.

- The surge in UPI transactions during FY23-24 marked a significant milestone, with a record 56% increase in volume and a 43% rise in value compared to the previous financial year. Transaction volumes exceeded 100 billion for the first time, reaching 131 billion.

## RBI says 15 NBFCs surrendered their certificates of registration

- The RBI announced that 15 NBFCs, including Tata Capital Financial Services and Revolving Investments, surrendered their certificates of registration for various reasons.
- Among them, nine NBFCs ceased to exist as legal entities due to reasons like amalgamation, merger, dissolution, or voluntary strike-off. This group includes Tata Capital Financial Services, Tata Cleantech Capital, Naperol Investments, USG Financial Services, Urja Capital, Vandana Dealers, ABRN Finance, Jodhani Management, and JDS Securities.
- Additionally, six NBFCs surrendered their certificate of registration upon exiting from the Non-Banking Financial Institution (NBFI) business. These entities are Vian Growth Capital, Drap Leasing and Finance, Jewel Strips, Revolving Investments, Anshu Leasing, and A V B Finance. All certificates of registration were initially granted by the RBI.



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# THE ECONOMIC POST

## News of the week



## BRITANNIA FORESEES FMCG MARKET REBOUND IN FY25

- Britannia's Executive Vice-Chairman and MD, Varun Berry, during the post-Q4FY24 earnings call, expressed a sense of optimism regarding the revival of the domestic FMCG market in the fiscal year 2025 (FY25). He pointed out several factors contributing to this optimism, including the stability of the economy, the upcoming election outcome, and favorable monsoon conditions.
- Berry noted a sluggish start in the first quarter of FY25, but he anticipates a notable acceleration in growth during the latter half of the fiscal year. This projected growth is expected to be supported by the implementation of a new Route-to-market (RTM 2.0) model aimed at expanding Britannia's non-biscuit businesses.
- Despite challenges such as inflationary pressures on key ingredients like wheat and sugar, Berry remains confident in Britannia's ability to achieve double-digit volume growth in FY25. He mentioned that the company aims for price-led growth of approximately 3% amidst these challenges.
- Berry emphasized that FY25 will mark a year of topline growth for Britannia. While the company is closely monitoring commodity inflation, it is willing to make slight sacrifices in margins to ensure the establishment of a future-ready business. Pricing actions will be carefully measured to maintain competitiveness in the market amidst competition from smaller and regional players.
- Despite a 4% year-on-year decline in net profit to Rs 536.61 crore, Britannia recorded a commendable 6% volume growth in Q4FY24. Revenue also saw a 3% year-on-year increase to Rs 4,014.07 crore, with EBITDA reaching Rs 785.5 crore. Looking ahead to FY25, Britannia aims to enhance sales by introducing new products such as Good Day cookies and Jim Jam Pops, reflecting its commitment to innovation and growth.

### INSIGHTS

Britannia Industries Limited is an Indian multinational food products company, which sells biscuits, breads and dairy products. Founded in 1892, it is one of India's oldest existing companies and currently part of the Wadia Group headed by Nusli Wadia. As of 2023, about 80% of its revenues came from biscuit products.

Share Price of Britannia Industries

**INR 5,096.05\***

Market Capitalization of Britannia Industries

**INR 1,26,814.75 Crore\***

*\*As Per NSE Data on 18/05/2024*

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# FULL OPERATION OF GSTAT BENCHES EXPECTED BY JANUARY 2025

- 1. Operationalization of GSTAT Benches:** The Indian government aims to activate all benches of the GST Appellate Tribunal (GSTAT) by January 2025, with the principal bench in New Delhi scheduled to begin operations from July. This move is intended to address the mounting backlog of GST-related disputes at the appellate level.
- 2. Appointment of President:** Sanjaya Kumar Mishra, former Chief Justice of Jharkhand High Court, has been inaugurated as the President of GSTAT by Finance Minister Nirmala Sitharaman. Mishra's appointment is seen as pivotal in facilitating the tribunal's functions and resolving pending disputes.
- 3. Mounting Backlog and Need for Expedited Resolution:** Official data indicates a significant backlog of 14,227 appeals against disputed tax demands by Central GST authorities as of June 2023. This underscores the urgent need for an expedited resolution mechanism to address taxpayer concerns and streamline the judicial process.
- 4. Concerns and Calls for Swift Action:** Concerns have been raised regarding the impending expiration of the "limitation period" for filing appeals, prompting calls for swift action from the government. Stakeholders emphasize the importance of clarifying the timeline for appeal filings to prevent unnecessary legal complications and uphold taxpayer rights in the evolving GST landscape.

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## NEXT CALL OF DUTY GAME TO LAUNCH ON XBOX GAME PASS

Microsoft plans to release the coming installment of the "Call of Duty" videogame to its subscription service, in a departure from its longtime practice of only selling the title independently, a source familiar with the matter said on Friday.

The move is expected to be announced at the company's annual Xbox showcase, scheduled for June 9, the person said on the condition of anonymity as the plans are private.

Microsoft acquired "Call of Duty" through its buyout of Activision Blizzard in a \$69 billion deal, which closed late last year.

The first-person shooter video-game is among the most successful entertainment properties and has generated more than \$30 billion in lifetime revenue.

Activision has long released new editions of the game annually priced at around \$70 each in recent years.

## HP ENVY MOVE ALL-IN-ONE DESKTOP REVIEW: A BLEND OF UNIQUE AND MUNDANE



The HP Envy Move is priced at Rs. 1,24,999 in India for the single variant that is available in a Shell White colourway. This model has a 13th-Generation Intel Core i5 processor with Intel UHD Graphics. There's 16GB of LPDDR5 RAM and 1TB of PCIe NVMe M.2 storage. Inside the retail package, consumers will get the HP Envy Move, a 90W adapter and a wireless Bluetooth keyboard with an integrated touchpad.



## IQOO Z9X FIRST IMPRESSIONS: THE NEW BUDGET 5G?



- iQoo Z9x, launched in China in April 2024, is a budget smartphone priced from Rs. 12,999.
- The phone comes in several variants, each offering 128GB of storage.
- The base model comes with 4GB of RAM, while the mid-tier offers 6GB RAM at Rs. 14,499.
- The top-of-the-line variant offers 8GB of RAM for Rs. 15,999.
- The phone's design is plastic with a glass display screen.
- The camera module combines elements of the iQoo Neo 9 Pro and the premium iQoo 12.
- The 6.72-inch full-HD+ LCD display offers a 120Hz refresh rate and 240Hz touch sampling rate.





## Weekly Index Movement: as of 17-May 2024

- Key equity indices rose on Monday, with S&P BSE Sensex gaining 111.66 points (0.15%) and Nifty 50 index adding 48.85 points (0.22%).
- Frontline indices rallied for a third consecutive day on Tuesday, with S&P BSE Sensex gaining 328.48 points (0.45%) and Nifty 50 index jumping 113.80 points (0.51%).
- Domestic equity benchmarks ended with minor losses on Wednesday, snapping a three-day rising streak.
- Major gains on Thursday, with S&P BSE Sensex gaining 676.69 points (0.93%) and Nifty 50 adding 203.30 points (0.92%).
- Indian equity indices saw decent gains on Friday, with S&P BSE Sensex gaining 253.31 points (0.34%) and Nifty 50 adding 62.25 points (0.28%).

## Economy

- Industrial output expanded 4.9% YoY in March, slower than 5.6% in February.
- Foreign exchange reserves increased by \$3.668 billion to \$641.59 billion, below the all-time high of \$648.562 billion in April.
- Exports grew slightly to \$35 billion, but imports rose faster, leading to a wider trade deficit of \$19.1 billion.

## United States as of 17-May 2024

Dow Jones, S&P 500, Nasdaq climbed Record Highs

- Dow Jones Industrial Average, S&P 500 Index, Nasdaq Composite reached record highs this week.
- Dow surpasses 40,000 threshold for first time.
- Growth stocks outperform due to lower implied discount on future earnings

## Europe

- The pan-European STOXX Europe 600 Index rose 0.42%, slipping from record high this week
- ECB's cautious comments slowed optimism on monetary policy ease.
- Major stock indexes: Germany's DAX fell 0.36%, France's CAC 40 Index declined 0.63%, Italy's FTSE MIB gained 2.14%, UK's FTSE 100 Index finished a bit lower.

## China

- Chinese equities remained stable after the government's historic rescue package stabilized the country's property sector.
- The Shanghai Composite Index remained flat, while the CSI 300 added 0.32%.
- In Hong Kong, the benchmark Hang Seng Index gained 3.11%, according to FactSet.

Name	Symbol	Last	Open	High	Low	Change	Change (%)
Nifty 50	NSEI	22,403.85	22,319.20	22,432.25	22,054.55	+203.30	+0.92%
BSE Sensex	BSESN	73,663.72	73,338.24	73,749.47	72,529.97	+676.69	+0.93%
Nifty Bank	NSEBANK	47,977.05	47,945.85	48,052.90	47,340.35	+289.60	+0.61%
Nasdaq	IXIC	16,742.39	16,601.14	16,749.74	16,544.09	+231.21	+1.40%
DAX	DE40	18,828.35	18,868.50	18,884.35	18,810.02	-47.00	-0.25%
FTSE 100	UK100	8,441.46	8,437.00	8,444.57	8,406.16	-4.34	-0.05%
Nikkei 225	JP225	38,921.00	38,736.50	38,955.50	38,517.50	+540.50	+1.41%
Hang Seng	HK50	19,376.53	19,262.79	19,442.90	19,114.38	+302.82	+1.59%
KOSPI	KS11	2,753.00	2,770.27	2,773.46	2,748.22	+22.66	+0.83%

\*AS PER 16TH MAY 2024



# CAPITAL MARKETS

## MAJOR INDIAN INDICES

### NIFTY 50



This week, the Nifty 50 index had a rollercoaster ride with some stocks soaring while others stumbled. Companies like Mahindra-Mahindra, Coal India, and Hindalco experienced significant gains, with Mahindra-Mahindra leading the charge with an impressive 15.14% increase in its stock price. These gains were likely fueled by positive news such as strong earnings reports or favorable market conditions, attracting investors' attention and driving up demand for these stocks.

### NIFTY 50 GAINERS

Name	Last Price	Previous price	Change (%)	Change (₹)	Volume in(000s)
Mahindra - Mahindra	2515	2184.25	15.14	330.75	2575.57
Coal India	489	444	10.14	45	11107.91
Hindalco	684.75	633.5	8.09	51.25	3582.39
Adani Enterprises	3108.75	2879.6	7.96	229.15	3784.37
JSW Steel	920.55	860.6	6.97	59.95	1735.08

However, not all stocks shared in the upward momentum. Giants like TCS and Nestle faced headwinds, seeing declines of 3.32% and 2.26% respectively. Investors may have been cautious due to concerns about the companies' performance or broader economic uncertainties. Despite these setbacks, the overall market sentiment remained mixed, reflecting the diverse performance of various sectors within the Nifty 50 index.

### NIFTY 50 LOSERS

Name	Last Price	Previous price	Change (%)	Change (₹)	Volume in(000s)
TCS	3816.8	3947.8	-3.32	-131	931.33
Nestle	2459.4	2516.25	-2.26	-56.85	340.38
Hindustan Unilever	2313.45	2360.65	-2	-47.2	1170.62
Bajaj Auto	8835.35	8992.3	-1.75	-156.95	435.61
Dr. Reddy's Lab	5809.95	5908.55	-1.67	-98.6	170.56

### SENSEX



The Sensex witnessed a week of divergent movements, with winners and losers emerging across different sectors. Mahindra-Mahindra emerged as a standout performer, enjoying a robust uptrend with a notable gain of 14.74%. This surge in stock price may have been driven by favorable company-specific developments or broader industry trends, enticing investors and bolstering confidence in the company's prospects.

### SENSEX GAINERS

Name	Last Price	Previous price	Change (%)	Change (₹)	Volume in(000s)
Mahindra - Mahindra	2510.9	2188.25	14.74	322.65	28.82
JSW Steel	919.75	860.1	6.94	59.65	77.38
NTPC	372.95	350.9	6.28	22.05	360.72
Tata Steel	174.05	163.85	6.23	10.2	3298.56
Power Grid Corp	323.75	306.45	5.65	17.3	498.39

On the flip side, heavyweights like TCS and Nestle faced downward pressure, experiencing declines of 3.33% and 2.33% respectively. Investors opted for a cautious approach amid uncertainties surrounding the companies' performance or market volatility. However, sectors like steel and power, represented by companies such as JSW Steel and NTPC, demonstrated resilience and positive momentum, buoyed by factors like strong demand or supportive policy measures.

### SENSEX LOSERS

Name	Last Price	Previous price	Change (%)	Change (₹)	Volume in(000s)
TCS	3815.25	3946.8	-3.33	-131.55	68.5
Nestle	2457	2515.6	-2.33	-58.6	9.78
Hindustan Unilever	2311.1	2360.3	-2.08	-49.2	32.35
Maruti Suzuki	12545.65	12669.1	-0.97	-123.45	6.96
Asian Paints	2852	2878.9	-0.93	-26.9	184.73

\*AS PER 21TH MAY 2024

# INTERNATIONAL UPDATES

## JAPAN'S RICH WILL INVEST \$1.4 TRILLION MORE BY 2030, REPORT SAYS

Mega-wealthy Japanese will contribute to a more than 30% surge in the value of assets they invest by the end of the decade as cash-heavy households deploy more in markets, according to an analysis by Morgan Stanley.

The investments by the combined segment of ultra-high net worth individuals and the "upper affluent" will reach 906 trillion yen (\$5.8 trillion) by 2030.



## WARY CHINA CONSUMERS FACE NEW HURDLE WITH SOARING UTILITY COSTS

China's consumers, already weighed down by a property-market bust and a lackluster labor market, are now getting hit by the steepest jump in utility costs in recent memory.

At least 125 cities and counties announced gas-price rises of about 10% since June last year, according to estimates published last month by brokerage Haitong International Securities Group. Water and power prices also went up across the country, according to notices from authorities.



## GOLD HITS RECORD HIGH ON FED RATE-CUT HOPES, RISING HAVEN DEMAND

Gold surged to an all-time high, boosted by increasing optimism the Federal Reserve will start easing monetary policy this year along with rising geopolitical tensions in the Middle East.

Bullion jumped as much as 1.4% to hit \$2,450.07 an ounce in Asia on Monday, surpassing a previous intraday record reached in April. Traders have been boosting bets in recent sessions that the Federal Reserve could reduce borrowing costs as early as September, a scenario that would bolster gold as it doesn't pay interest.



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**ep.**

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



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