

THE ECONOMIC POST

HELPING YOU MAKE BETTER FINANCIAL AND INVESTMENT DECISION..

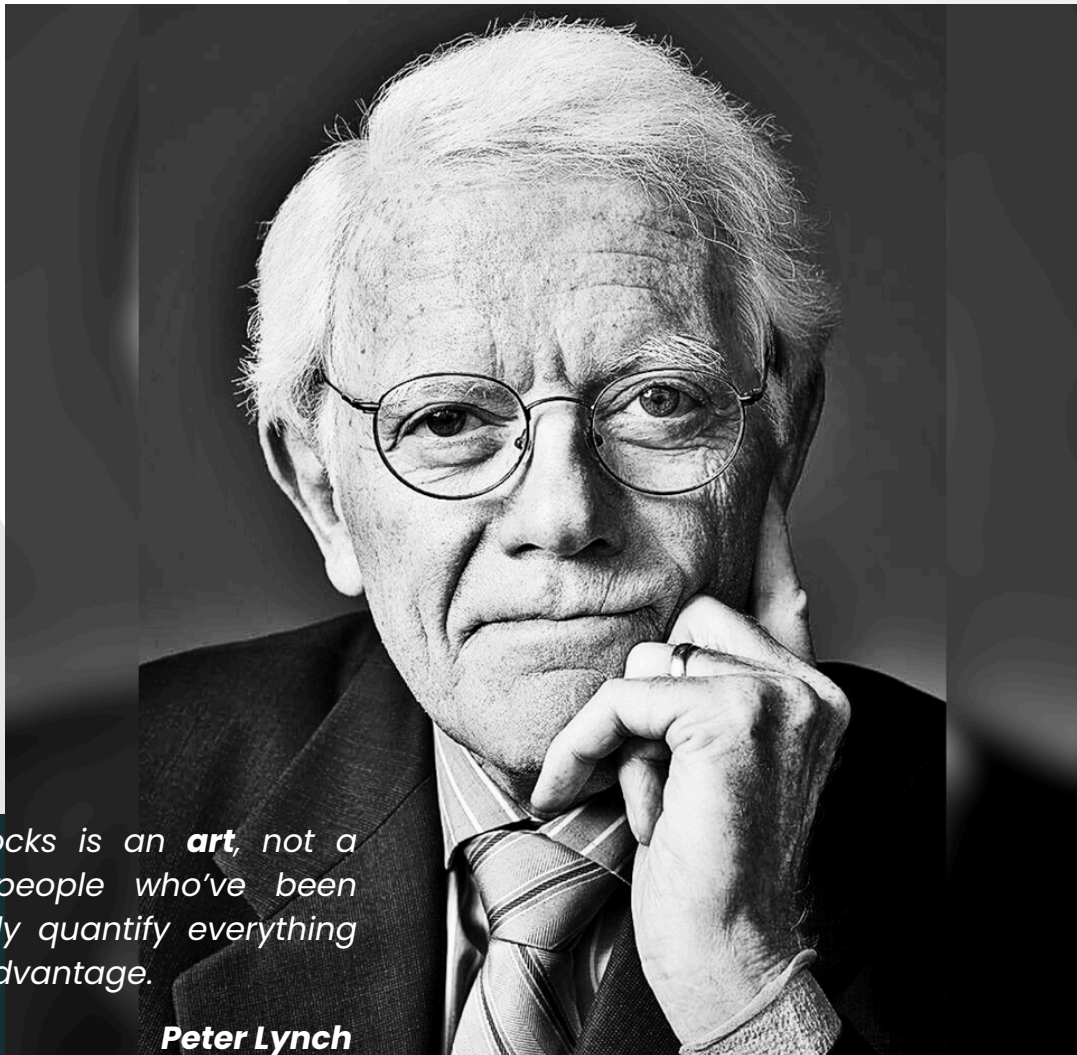
What's inside

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

Big Stories of the week

Sitharaman: stable policies key for India's economic growth

BofA bullish on rupee despite market volatility led by elections



*Investing in stocks is an **art**, not a science, and people who've been trained to rigidly quantify everything have a big disadvantage.*

Peter Lynch

WEEKLY NEWSLETTER

Editors Pick



SEBI PROPOSES MODERNIZING MERCHANT BANKING REGULATIONS



Securities and Exchange Board of India (Sebi) has proposed updates to the framework to better suit present-day needs and enhance ease of business.

The committee recommends transitioning to digitally signed e-certificates for merchant bankers instead of physical registration certificates, and adjustments to the calculation method for 'net worth' to align it with current legal definitions. It also suggests permitting individuals with recognized foreign degrees to become merchant bankers and eliminating certain redundant disclosures to Sebi.

RBI APPROVES RECORD ₹2.11 LAKH CR DIVIDEND PAYOUT TO GOVERNMENT

The Reserve Bank of India (RBI) has sanctioned a historic dividend payout of ₹2.11 lakh crore to the Government of India for the fiscal year 2023-24. This announcement marks the largest-ever dividend disbursed by the central bank in its history.

SBI CHAIRMAN RETIRES ON AUGUST 28; QUEST FOR HIS SUCCESSOR BEGINS



The state-owned lender's three managing directors, CS Setty, Ashwini Kumar Tewari, and Vinay M Tonse, are the front-runners for the chairman's position, with Alok Kumar Choudhary, the fourth managing director, retiring in June.





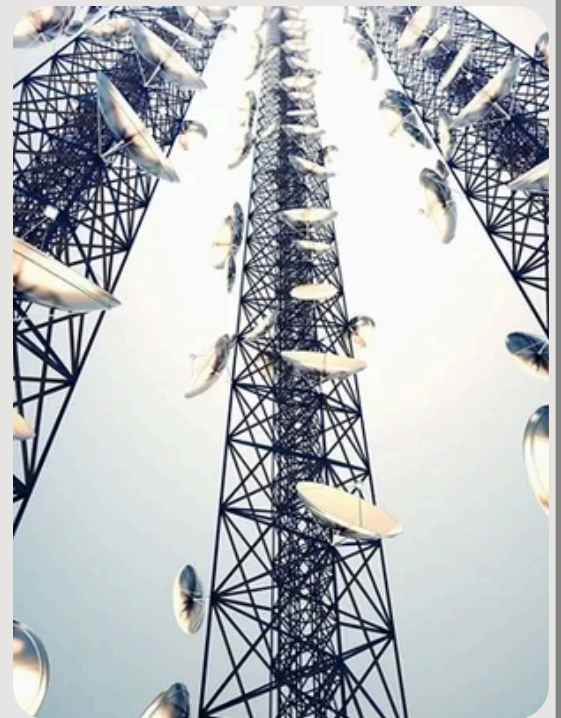
JSW PAINTS: ₹2,000 CR REVENUE AND FIRST OPERATING PROFIT IN FY24

JSW Paints, a dynamic player in the Indian paints industry, has marked a significant achievement in its journey by surpassing ₹2,000 crore in revenue from operations in the fiscal year 2023-24.

TELCOS WORKING WITH TECH PARTNERS TO CURB UNNECESSARY CALLS, SMSS

The Cellular Operators Association of India (COAI) announced on Tuesday that telecom operators are collaborating with technology partners to deploy measures to reduce the menace caused by unwanted calls and text messages.

The association, which represents major telecom operators, said the companies will be bringing a few more models to address the issue of unsolicited commercial communication (UCC).



STARTUP FOUNDERS PRIORITIZE R&D, AI, MANUFACTURING

Tech industry leaders and CEOs have voiced their strong endorsement of the government's role as a facilitator and policy-maker in the technology space, urging for continuity in support as a new regime prepares to take charge next month.



THE ECONOMIC POST

RBI BOUGHT NET \$13.25 BN IN SPOT FOREX MARKET IN MARCH: BULLETIN

The Reserve Bank of India (RBI) bought net \$13.249 billion in the spot foreign exchange market in March, according to the central bank's monthly Bulletin.

The central bank in the Bulletin said that it purchased \$14.841 billion and sold \$1.592 billion during the period. In February, the central bank had bought a net of \$8.557 billion in the spot market.

The RBI's net outstanding forward sales stood at \$541 million as of end-March, compared to net purchases of \$9.69 billion at the end of February, the data showed. The central bank intervenes in the spot and forwards market to curb exchange rate volatility. The currency closed at 83.3050 against the dollar on Tuesday.

PLI INVESTMENTS HIT RS 28.3B, PRODUCTION TOPS RS 1.43T



- In a mere span of less than three years since its inception, the PLI scheme has become a game-changer for the pharmaceutical domain, attracting substantial interest across its three key components: pharmaceuticals, bulk drugs, and medical devices.
- The latest figures reveal staggering statistics, with the pharmaceuticals category alone witnessing investments totaling a staggering Rs 28,328 crore. The resultant cumulative production has soared to an astonishing Rs 1.43 trillion as of April 2024, showcasing a meteoric rise from previous benchmarks.

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News of the week



SITHARAMAN: STABLE POLICIES KEY FOR INDIA'S ECONOMIC GROWTH

- ▶ Union Finance Minister Nirmala Sitharaman emphasized the need for stable policies and a corruption-free environment at the CII Annual Business Summit 2024 to drive India's economic growth trajectory.
- ▶ Sitharaman's statement about Prime Minister Narendra Modi's potential third term in the 2024 Lok Sabha Elections emphasized the government's commitment to stability and continuity in governance.
- ▶ Sitharaman highlighted India's growth potential, citing an S&P report predicting a \$2.9 trillion consumer market doubling by 2031.
- ▶ Amidst this promising outlook, she reaffirmed India's position as the fastest-growing economy, buoyed by a twin balance sheet advantage, as evidenced by the robust health of both government and corporate balance sheets.
- ▶ Sitharaman emphasized the government's commitment to AI skilling and renewable energy promotion, highlighting its potential for job creation and economic transformation.
- ▶ Sitharaman's CII summit address outlined a comprehensive vision for India's economic resurgence, focusing on stable governance, strategic policy interventions, and vibrant public-private partnerships for sustainable growth and prosperity.
- ▶ Sitharaman's address highlighted the government-private partnership in driving India's developmental agenda.
- ▶ Looking ahead to 2047, she envisioned an expanded role for the private sector, with the government facilitating and enabling conducive business environments.

India's overall exports in FY25 (April 2024) were estimated at US\$ 64.56 billion. Overall imports over the same period were estimated at US\$ 71.07 billion.





BofA BULLISH ON RUPEE DESPITE MARKET VOLATILITY LED BY ELECTIONS

- Bank of America (BofA) is holding on to its bullish view point on the Indian rupee even as a gauge of future market volatility rises amid elections in the country.
- “Indian rupee’s implied volatility and skew in options markets have begun to reflect,” some risks from elections, strategists including Claudio Piron wrote in a note. Still, the rupee has stayed in a narrow range, with realized volatility near multi-decade lows, signaling expectations the central bank will shield the currency from sharp moves after the election results, they wrote.
- A lower-than-expected voter turnout in India’s elections has led to some consternation about the prospects of Prime Minister Narendra Modi’s Bharatiya Janata Party which is widely expected to win a third successive term. Election results are due on June 4.
- The rupee inched up 0.1% to 83.22 per dollar on Wednesday, the highest since April 10. BofA sees scope for the RBI to let the rupee appreciate by 1 – 1.5% to signal a positive market reaction if the election results point toward a stable government.
- The bank has expressed this view with a so-called one-touch downside option on USD/INR with 82.5/USD strike, it said.
- One-touch options require the underlying asset to reach a specific price level within a predetermined timeframe.



ELON MUSK'S AI STARTUP xAI RAISES \$6 BILLION IN BID TO CHALLENGE OPENAI



- Elon Musk's artificial intelligence startup, xAI, has raised \$6 billion to challenge OpenAI's ChatGPT.
- The Series B round, announced on May 26, comes less than a year after xAI's debut and is one of the largest investments in AI tool development.
- Musk, an early supporter of AI, withdrew his support from the venture and has advocated caution due to potential dangers.
- In November, he launched Grok, a rival to OpenAI's ChatGPT, trained on and integrated into X.com, the social network formerly known as Twitter.
- xAI plans to use the funds to bring its first products to market, build advanced infrastructure, and accelerate the development of future technologies.

ASUS ROG ALLY X SPECIFICATIONS LEAK AHEAD OF DEBUT

- The Asus ROG Ally X is set to be unveiled in the coming weeks, as an updated version of the first-generation ROG Ally.
- The updated console will feature a larger 80Whr battery, allowing users to play games longer.
- The ROG Ally X will also have 24GB of LPDDR5 memory, offering a higher memory bandwidth of 7,500MHz, up from 6,400MHz on the current model.
- The device will be powered by the same AMD Ryzen Z1 Ultimate APU as the first-generation ROG Ally.
- The Asus ROG Ally X is expected to be a significant upgrade from the current model.



MOTOROLA RAZR 50 DESIGN, SPECIFICATIONS SURFACE THROUGH ALLEGED TENAA LISTING

Motorola Razr 50 and Razr 50 Ultra are rumored to be in development and are expected to launch in select markets, including the US and Canada. An alleged TENAA listing for the Motorola Razr 50, with a live photo and specifications, has surfaced online. The phone is expected to have a 3.6-inch OLED cover display and a 6.9-inch inner screen, likely running on a MediaTek Dimensity 7300X SoC. The phone is listed with 8GB, 12GB, and 16GB RAM options, 128GB, 256GB, 512GB, and 1TB inbuilt storage, and an octa-core chipset with a 2.5GHz peak frequency. The purple model of the Motorola Razr 50 features a dual camera setup, a 50-megapixel primary shooter and a 13-megapixel secondary camera, a 32-megapixel selfie sensor, and a side-mounted fingerprint scanner. The phone is expected to weigh 188 grams and measure 171.3x73.9x7.2mm.

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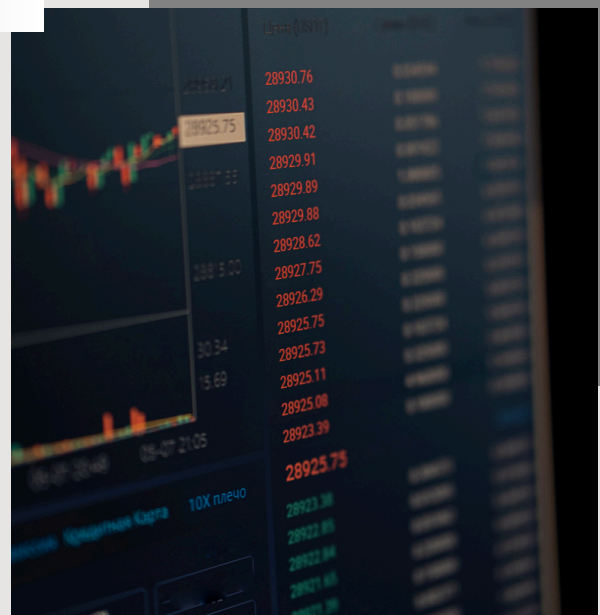
Capital Markets

www.indianeconomicclub.org

INDIAN EQUITY INDICES REACH RECORD HIGHS

Indian equity indices surged to new record highs, with the Nifty breaching the 22,950 mark. The S&P BSE Sensex gained 1,404.45 points, settling at 75,410.39, while the Nifty 50 index added 455.1 points, closing at 22,957.10. Despite a closed market day due to the Lok Sabha Election, the week saw robust gains, albeit with some fluctuations.

**AS PER 24TH MAY 2024*



CORPORATE EARNINGS AND MARKET MOVES

Several companies reported their quarterly earnings. ITC saw a marginal decline in net profit, while Power Grid Corporation of India and Grasim Industries reported mixed results. Reliance Industries entered a licensing agreement with Nel ASA, expanding its global footprint.



ONGC witnessed a substantial increase in standalone net profit, while Hindalco Industries reported a surge in consolidated net profit. However, Godrej Properties faced setbacks as the Ministry of Defence raised objections to its Mumbai project. Globally, Japan's manufacturing sector showed resilience, while the US saw mixed economic indicators.

**AS PER 24TH MAY 2024*

CAPITAL MARKETS

NIFTY 50



NIFTY 50 Gainers

Company Name	Last Price ₹	Prev Price ₹	Change(%)	Change ₹	Volume in('000s)
Adani Enterprises	3384.95	3041.65	11.29	343.3	1835.31
Mahindra-Mahindra	2579.75	2371.75	8.77	208	7444.52
Coal India	501	468.3	6.98	32.7	17232.65
BPCL	654.1	618.75	5.71	35.35	13443.47
Tata Steel	174.85	165.9	5.39	8.95	41126.57

NIFTY 50 Losers

Company Name	Last Price ₹	Prev Price ₹	Change(%)	Change ₹	Volume in('000s)
Sun Pharma Inds.	1486.7	1536.3	-3.23	-49.6	2684.39
TCS	3849.5	3900.95	-1.32	-51.45	2599.4
SBI Life Insuran	1436.25	1452.2	-1.1	-15.95	1176.24
Hero MotoCorp	5118.3	5141.35	-0.45	-23.05	1296.73
HDFC Life Insurance	565.1	-0.34	-1.95	567.05	4543.9

*AS PER 24TH MAY 2024

SENSEX



Sensex Gainers

Company Name	Last Price ₹	Prev Price ₹	Change(%)	Change ₹	Volume in('000s)
Mahindra - Mahindra	2580.55	2372.85	8.75	207.7	242.21
Tata Steel	175	165.9	5.49	9.1	2688.8
Ultratech Cement	10223.9	9707.2	5.32	516.7	6.64
Larsen - Toubro	3619.6	3459.45	4.63	160.15	83.73
Maruti Suzuki	12994.8	12494.7	4	500.1	15.27

Sensex Losers

Company Name	Last Price ₹	Prev Price ₹	Change(%)	Change ₹	Volume in('000s)
Sun Pharma Inds..	1487.85	1536.25	-3.15	-48.4	15.55
TCS	3850	3900.3	-1.29	-50.3	33.44
Wipro	462.55	464.35	-0.39	-1.8	153.7
HCL Tech.	1342.75	1347.95	-0.39	-5.2	120.17
Nestle	2464.9	2467.3	-0.1	-2.4	34.17

*AS PER 24TH MAY 2024

GLOBAL MARKET SUMMARY

United States:

- The Nasdaq Composite continued its upward trend, reaching new record highs.
- However, the Dow Jones Industrial Average experienced its worst week since early April, with a notable decline of 2.33%.
- The S&P 500 Index remained relatively flat, while small-cap stocks lost ground.

Europe:

- European markets saw mixed performance, with the pan-European STOXX Europe 600 Index ending slightly lower.
- Concerns arose regarding the pace of potential interest rate cuts, impacting market sentiment.
- Major stock indexes in Italy, France, and the UK experienced declines, while Germany's DAX remained relatively unchanged.

Japan:

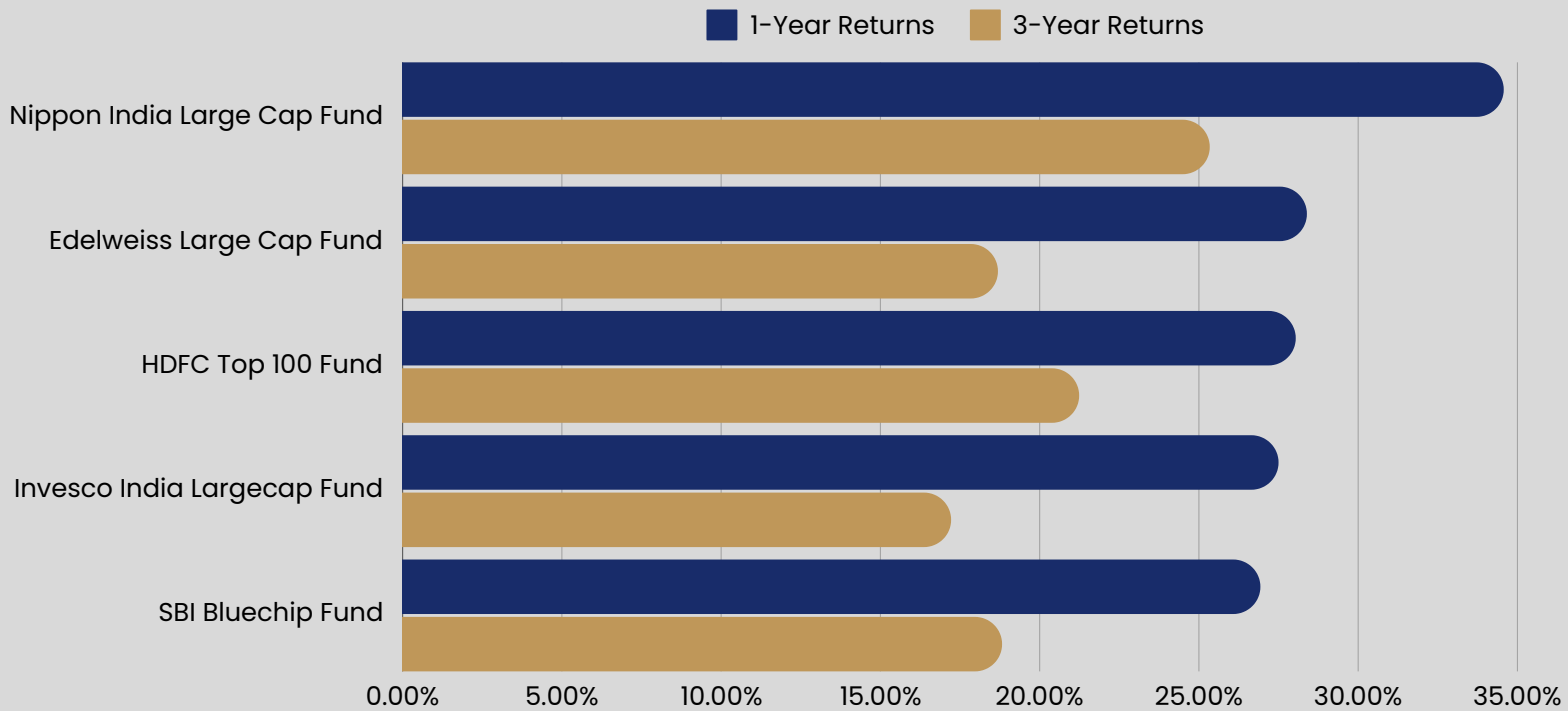
- Japanese equities ended the week lower, despite upbeat economic data and positive earnings updates from U.S. chip giant NVIDIA.
- The Nikkei 225 Index fell by 0.36%, with losses exacerbated on Friday following a downturn in Wall Street.
- Japanese bond markets saw yields reach 1.0% for the first time in 11 years.

China:

- Chinese stocks retreated amid concerns about elevated U.S. interest rates, despite optimism surrounding Beijing's measures to support the property sector.
- The Shanghai Composite Index and the blue chip CSI 300 both experienced declines.
- Hong Kong's benchmark Hang Seng Index fell significantly, reflecting broader market sentiment.
- The People's Bank of China announced a historic rescue package for the property sector, aiming to address the ongoing housing crisis. However, some investors remained skeptical about its effectiveness.



TOP 5 LARGE AND MID CAP EQUITY FUNDS



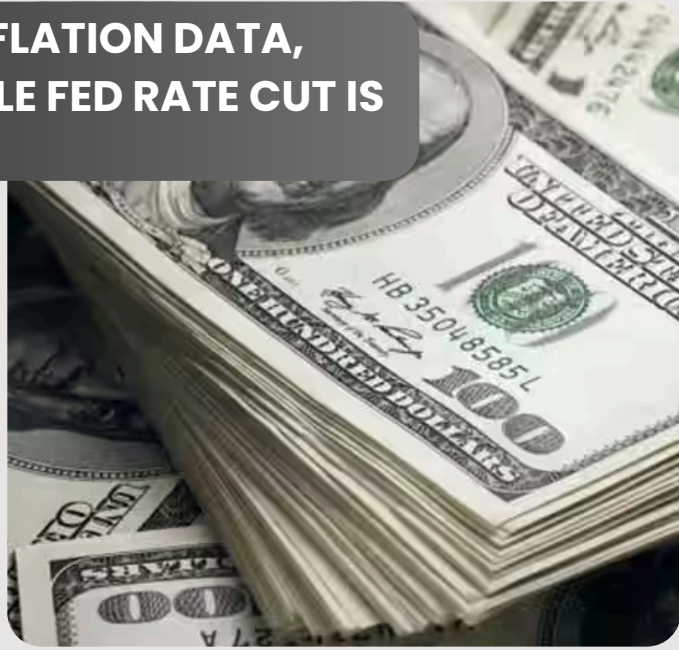
BANK FD INTEREST RATES 2024

<p>6.10% - 6.85%</p> <p>IDBI Bank Tax Saving FD</p>	<p>PNB Tax Saving FD</p> <p>5.80% - 6.30%</p>	<p>6.50%</p> <p>IDFC First Bank Tax Saving FD</p>	<p>Axis Bank Tax Saving FD</p> <p>6.10% - 6.85%</p>	<p>6.10% - 6.60%</p> <p>HDFC Bank Tax Saving FD</p>
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INTERNATIONAL UPDATES

THE DOLLAR REMAINS STEADY DUE TO INFLATION DATA, WHILE THE YEN WEAKENS, AND A POSSIBLE FED RATE CUT IS UNLIKELY.

The dollar remained stable on Wednesday due to the Federal Reserve's unlikely cut of rates later this year, amid crucial inflation readings. The yen fell to its weakest in four weeks, and rising Treasury yields lifted the dollar. The euro was 0.065% lower at \$1.0850, but on track for a 1.7% gain for the month, its first month of gains in 2024. The Australian dollar spiked higher before steadying, up 0.085% at \$0.6654, adding to risks of an upward interest rate move.



SAUDI WEALTH FUND'S LOCAL FOCUS WORRIES GLOBAL ASSET MANAGERS



Saudi Arabia's Public Investment Fund (PIF) is facing concerns from global asset managers due to its increased focus on domestic projects like the \$1.5 trillion Neom. The fund plans to increase annual spending to \$70 billion, but executives at three alternative investment firms privately express concerns that the PIF will channel more money into local mega-projects, potentially leading to a shift away from passive investments in global private equity, infrastructure, and hedge funds. This is a stark shift from recent years when wealth funds from the Middle East were eager to deploy billions of dollars with global investors.

IMF LIFTS CHINA GROWTH FORECAST TO 5% CITING FAST START TO 2024

The International Monetary Fund predicts China's economy to grow by 5% this year, up from 4.6% earlier this year. This growth is due to strong expansion at the start of 2024 and government support. The Fund expects the momentum to continue, raising its gross domestic product forecast for next year to 4.5%. China reported a better-than-expected expansion of 5.3% in Q1, but a housing slump continues to impact domestic demand.





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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