

Midnight News Update – Dec 02nd 2024

The market cap of 10 of the most valuable companies by market cap on the NSE surged by Rs2.30 trillion for the week to November 29, 2024. The big gainer in the week was LIC, adding Rs60,657 crore in market cap, followed by HDFC Bank at Rs39,514 crore. Other major MCAP accretions were Reliance Industries Rs35,861 crore, Bharti Airtel Rs32657 crore, SBI Rs20,482 crore, ICICI Bank Rs15,858 crore, Hindustan Unilever Rs11,948 crore, and TCS Rs10,058 crore. Infosys, however, saw its market cap fall Rs18,478 crore.

Trump has threatened 100% tariffs on BRICS nations if they tried to weaken the dollar. BRICS includes Brazil, Russia, India, China, and South Africa. This is a hint to BRICS members not to move out of dollar as the core trade currency. Dollar represents about 58% of world trade and anything lower than 50% share will weaken the dollar. With the growing clout of BRICS in world trade, they have been looking, not only at an alternate currency to trade, but also at an alternate payment system outside the purview of SWIFT.

According to a report by Fitch, the borrowing cost of Indian NBFCs may remain elevated even in FY25. This would be despite rate cuts by the RBI as transmission is unlikely to happen seamlessly. This will continue to keep their NIMs under pressure as NBFCs still depend predominantly on banks for financing. Fitch also expects that the extent of leverage for the NBFCs will moderate in the coming year. Fitch expects the GDP growth to be robust, albeit at a more subdued level. But that should be enough to ensure credit flows.

Vijay Chandok has taken over as the managing director and CEO of NSDL, the pioneer in demat services in India. However, over the years, it has been losing the customer growth to CDSL, which has 14 crore out of the 17.85 crore demat accounts in India. That will be one of the challenges that Chandok will face. Also, Chandok is the second person who moved from being a director of ICICI Bank to the chief of ICICI Securities and then to a statutory to quasi-statutory role. The first one was Madhabi Puri Buch, current SEBI chair.

Private equity (PE) investments in 2024 have touched \$30.89 billion, up 22.7% on a yoy basis. Much of this was characterized by IPO exits. Notable large deals were Walton Street Investment Advisors infusion at \$1.5 billion and Kirana Kart Technologie at \$1.2 billion. Also, the year saw a lot of private equity capital coming into start-up companies domestically than from the big names globally. The other big change to the private equity space is that there is much greater focus on profits than on just eyeballs and footfalls.

Mahindra & Mahindra will sell its electric vehicles (EVs) through its existing sales network. This will allow the company to offer all choices under a single roof. The idea is to give the customers a single platform choice between ICE options and EV options. This is in contrast to the model followed by Tata Motors, which has separate sales channels for EVs and its ICE models. Within its existing sales team, it will create a specialized sales team to sell EVs. M&M has 1,370 sales centres and 1,100 service touchpoints in India.

Serum Institute will sell 40% in pharma packaging joint venture (JV), Schott Poonawalla, to TPG growth. The Serum Institute had acquired 50% in Schott Kaisha in August 2021 during the pandemic. The other half was held by SCHOTT Pharma AG of Germany, a specialty glass company manufacturing vials, syringes, ampoules, and cartridges. Incidentally, SCHOTT AG is owned by the Carl Zeiss Foundation. SCHOTT has invested Rs600 crore in 3 years to set up 2 new plants and delivered over 2 billion vaccine doses in 2021.

It looks like the retail shareholders of Zee Entertainment may have checkmated Goenka's designs to come back as the CEO of the company. Retail investors had struck down the proposal to reappoint Punit Goenka as a director on the board of Zee, with 88% of the retail shareholders voting against Goenka. However, 52% of the institutional shareholders had voted in favour of Punit Goenka. Retail investors hold 33.35% in Zee, institutions about 38% and promoters just 3.99%. The failure of the Sony merger was the key issue.



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