

Midnight News Update – Nov 29th 2024

Suraksha Diagnostics has collected Rs254 crore from anchor investors, a day ahead of the IPO opening. The anchor bidding opened and closed on Thursday, November 28, 2024. The IPO is entirely an offer for sale (OFS). The anchor allotment of 57.57 lakh shares was made at the upper band price of Rs441 with 16 anchor investors participating in allotment. Some of the key anchor investors were Nippon India MF, Kotak MF, Birla MF, Quant MF, Carnelian Fund etc. The anchor allocation accounts for 30% of the IPO issue size.

Finance Ministry has proposed to raise the FDI limit in insurance to 100% and also introduce a composite license provision. The current FDI limit stands at 74%. The composite license will allow the insurance unit to take underwrite more insurance risk with a single license. Even the requirement of net owned funds for foreign reinsurers may be reduced sharply from Rs5,000 crore to Rs1,000 crore. It is hoped that the new rules will not only usher in simpler business environment, but also attract new players into insurance.

Effective April 01, 2024, SEBI has announced the interoperability of stock exchanges. This will allow business continuity in the event of any technical glitch. The stock exchanges have been asked to issue a standard operating procedure (SOP) for the same. Now traders can also hedge their positions in the other stock exchange seamlessly. Traders will not only be able to hedge their positions, but also take offset positions in the other exchange. Even the margins would be netted in the same way as on same exchange.

Adani group lawyer, Mahesh Jethmalani, has punched some big holds in the US indictment of the Adani group. Apparently, the indictment has only allegations, but no proof. Jethmalani also clarified that the Adani family had not been charged for any bribery issue that is violation of the Foreign Corrupt Practices Act (FCPA). This led to a sharp rally in most Adani group shares. Jethmalani also underlined that evidence was very sketchy and would not be able to stand up to scrutiny in any court of law. Final word is awaited.

BEML has bagged an order worth Rs3,658 crore from Chennai Metro Rail. The order includes the design, manufacture, supply, testing, commissioning, and training of personnel. It also includes the supply of rolling stock for the railways. The contract will be over a period of 15 years. In the latest quarter, BEML had witnessed a marginal reduction in net profits on account of weak demand for its heavy machinery and equipment business. Even revenues fell 6.2% in Q2FY25. BEML is a capex cum defence PSU Navaratna.

CarDekho, which is planning to launch its IPO, reported a 40% reduction in losses for FY24. However, revenues for FY24 were higher by 54%. Its losses fell from Rs562 crore to Rs340 crore yoy. The portfolio of the company includes auto media, insuretech, fintech, and international business. The growth came largely from the fintech and the insuretech business. The company is currently investing heavily in building a technology ready future. CarDekho has grown inorganically this year and has made a standalone profit.

Air India CEO, Campbell Wilson, is of the view that airline duopoly will attract more private capital into the airline business. Today, Indigo and Air India – Vistara; jointly dominate more than 85% of the Indian aviation market; with the rest of the market being handled by Akasa and SpiceJet. In recent times, Jet Airways and Go First went bust, while Air Asia and Vistara merged into Air India. According to Wilson, the duopoly status will bring in a lot of interested investors, including private equity players in Indian aviation.

Brent oil prices stayed steady at under \$73/bbl as OPEC decided to delay its output meeting. There was also a jump in US oil inventories, which is normally a bearish scenario for oil. OPEC + Russia accounts for nearly half the world's oil output, but in recent months, the other key nations like Brazil, China and Canada have played a key role in oil supply. OPEC was planning to increase its oil output, but may put off that decision to January 2025. However, price of Brent Crude and WTI crude is down nearly 3% over last week.



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