

## Weekly Capsule (Apr 29 – May 03) and Impact Analysis

News Announcement	Impact Analysis
<ul style="list-style-type: none"> <li>➤ India core sector growth for March came in at 5.2%, despite lower base</li> </ul>	<ul style="list-style-type: none"> <li>➤ The pressure on the core sector came from refinery products, while coal, electricity, steel, and cement outperformed</li> <li>➤ The full year core sector growth for FY24 stood at a robust level of 7.2%, despite a much higher base in last two years</li> </ul>
<ul style="list-style-type: none"> <li>➤ US Fed statement holds rates at 5.25%-5.50%, rules out rate cuts for now</li> </ul>	<ul style="list-style-type: none"> <li>➤ Surprisingly, the Fed statement or the speech by Jerome Powell did not mention any change from the 3 rate cuts stand</li> <li>➤ However, the CME Fedwatch is pegging just one rate cut to happen in 2024, and that too either in September or later</li> </ul>
<ul style="list-style-type: none"> <li>➤ A total of 42% small caps delivered negative returns in March 2024 quarter</li> </ul>	<ul style="list-style-type: none"> <li>➤ This is much higher than the 35% negative returns delivered by the mid-cap companies in the same quarter of FY24</li> <li>➤ While the Nifty gave 11% returns in the quarter, the median returns of the top 250 small cap companies was just 3.8%</li> </ul>
<ul style="list-style-type: none"> <li>➤ According to McKinsey report, MSMEs made up 62% of the jobs created</li> </ul>	<ul style="list-style-type: none"> <li>➤ However, this is still sharply lower than the 77% contribution that MSMEs typically make to employment in other nations</li> <li>➤ Also, the contribution of MSMEs to value added is 30% to overall business, compared to 49% in other countries</li> </ul>
<ul style="list-style-type: none"> <li>➤ Britannia Industries net profits fell by 3.8% in Q4FY24 to Rs537 crore</li> </ul>	<ul style="list-style-type: none"> <li>➤ This was an outcome of muted rural demand, which also led to a 4% sequential fall in the net profits in the fourth quarter</li> <li>➤ Due to the price cuts taken during the quarter, the operating profit margins also contracted by 110 basis points to 17.3%</li> </ul>
<ul style="list-style-type: none"> <li>➤ FPIs domiciled at Gift City have been allowed to issue participatory notes</li> </ul>	<ul style="list-style-type: none"> <li>➤ Participatory notes are offshore derivative instruments issued by registered FPIs on behalf of other key investors</li> <li>➤ The hope is that it would raw a lot of P-Note volume to India rather than exporting these volumes to other geographies</li> </ul>
<ul style="list-style-type: none"> <li>➤ It looks like end of the road for Go First after HC order on deregistration</li> </ul>	<ul style="list-style-type: none"> <li>➤ That will bring an end to the one-year long stalemate after Go First of the Wadia group filed for bankruptcy in May 2023</li> <li>➤ With the planes being deregistered, the lessors of the aircraft can now take possession of these aircraft to recover dues</li> </ul>
<ul style="list-style-type: none"> <li>➤ RBI data suggests that India service exports may have slowed in FY24</li> </ul>	<ul style="list-style-type: none"> <li>➤ While the gross service exports growth fell to just 4.9%, the net service exports still grew at an impressive rate of 13.6%</li> <li>➤ This comes on the back of 2 consecutive years of double-digit growth in service exports boosted by IT and IT related services</li> </ul>
<ul style="list-style-type: none"> <li>➤ US job growth fell in April even as the unemployment rate rose to 3.9%</li> </ul>	<ul style="list-style-type: none"> <li>➤ Non-farm payrolls increased by just 1,75,000 jobs in April, much lower than the street estimated 2,43,000 jobs</li> <li>➤ On a MOM basis, the non-farm payrolls fell nearly 40%, hinting at pressure on jobs and labour market tightening</li> </ul>

<ul style="list-style-type: none"> <li>➤ NSE reports 20% spike in net profits in quarter to Q4FY24 to Rs2,488 crore</li> </ul>	<ul style="list-style-type: none"> <li>➤ The total operating revenues in the quarter were up 34% yoy at Rs4,625 crore led by trading and index data services</li> <li>➤ NSE also announced 4 for 1 bonus and a dividend of Rs90 per share for the shareholders on a pre-bonus basis</li> </ul>
<ul style="list-style-type: none"> <li>➤ RBI dividend to government for FY24 may be in the region of Rs85,000 crore</li> </ul>	<ul style="list-style-type: none"> <li>➤ This would be approximately at par with the Rs87,416 crore that the government had received as dividend last year</li> <li>➤ This is lower than the interim budget estimate, which pegs the RBI transfer to the government for the year at Rs1.02 trillion</li> </ul>
<ul style="list-style-type: none"> <li>➤ Maiva Pharma raises Rs1,000 crore from Morgan Stanley and others</li> </ul>	<ul style="list-style-type: none"> <li>➤ Maiva is one of the major players in the CDMO (contract manufacturing) space with focus on injectables</li> <li>➤ Avendus was the advisor to the deal and this stake purchase will give controlling stake to the Morgan Stanley affiliate fund</li> </ul>
<ul style="list-style-type: none"> <li>➤ India's April crude oil imports fell by 8% to 4.50 million barrels per day (bpd)</li> </ul>	<ul style="list-style-type: none"> <li>➤ However, despite the overall reduction in import volumes, Indian crude oil imports from Russia spiked by 18% in April</li> <li>➤ Despite the discounts narrowing, Russia still accounts for 38% of the total oil import basket for India, the clear leader</li> </ul>
<ul style="list-style-type: none"> <li>➤ Coal India saw a 2% drop in revenues but net profits were up 27% in Q4</li> </ul>	<ul style="list-style-type: none"> <li>➤ While sales were below street expectations in Q4FY24, the net profits were much better than what the analysts had pegged</li> <li>➤ This is despite the fact that thermal power companies are now operating at full capacity amidst peak summer time demand</li> </ul>
<ul style="list-style-type: none"> <li>➤ SK Finance Ltd files DRHP with SEBI for its proposed Rs2,200 crore IPO</li> </ul>	<ul style="list-style-type: none"> <li>➤ The overall IPO will comprise of a fresh issue of Rs500 crore and an offer for sale (OFS) of Rs1,700 crore by promoters</li> <li>➤ SK Finance is an NBFC that is purely focused on the vehicle finance segment and the business loans segment</li> </ul>
<ul style="list-style-type: none"> <li>➤ ICICI Bank rushes to deny rumours of Sandeep Bakshi exiting from CEO post</li> </ul>	<ul style="list-style-type: none"> <li>➤ The bank had clarified that these were just random news flows and had absolutely no basis at all in reality</li> <li>➤ For ICICI Bank, the presence of Bakshi is critical as he had taken the bank out of the mess and grown market cap 4-fold</li> </ul>
<ul style="list-style-type: none"> <li>➤ GST collections for April 2024 came in at a record level of Rs2,10,000 crore</li> </ul>	<ul style="list-style-type: none"> <li>➤ The GST collections are not only a record high, but also represent a full 12.5% spike over April of the previous year</li> <li>➤ Today, there are a total of 1.45 crore GST tax payers and the collections improved on better compliance and use of tech</li> </ul>
<ul style="list-style-type: none"> <li>➤ FPIs end up net sellers in equity worth Rs8,700 crore in April 2024</li> </ul>	<ul style="list-style-type: none"> <li>➤ Surprisingly, the FPIs emerged net sellers in the month of April in equity as well as in debt, despite index inclusion hopes</li> <li>➤ The FPI selling has been relentless in the secondary markets, but the IPO FPI flows have compensated for that to an extent</li> </ul>
<ul style="list-style-type: none"> <li>➤ The Rs3,000 crore IPO of Aadhar Housing Finance opens on 08-April</li> </ul>	<ul style="list-style-type: none"> <li>➤ The IPO of Aadhar comprises of Rs1,000 crore fresh issue and Rs2,000 crore offer for sale by an affiliate of Blackstone</li> <li>➤ Blackstone holds 98.5% of Aadhar share capital through its affiliate fund, while ICICI Bank holds the balance shares</li> </ul>

<ul style="list-style-type: none"> <li>➤ Over 100 minority shareholders of ICICI Securities protest the merger ratio</li> </ul>	<ul style="list-style-type: none"> <li>➤ ICICI Securities was proposed to be merged into ICICI Bank in the ratio of 67:10, which investors find unfair to I-Sec holders</li> <li>➤ Quantum Mutual Fund, has led the fight against the merger as a minority shareholder of ICICI Securities Ltd</li> </ul>
<ul style="list-style-type: none"> <li>➤ Promoters have used the rally to cut their pledged shares with banks</li> </ul>	<ul style="list-style-type: none"> <li>➤ FY24 alone saw promoter pledges falling by \$7 billion, with Adani group one of the biggest contributors to the fall</li> <li>➤ Promoter pledges have to be reported quarterly to the stock exchange and it is a price sensitive information for stocks</li> </ul>

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