

Indian Equity Market Summary

- Indian equity indices ended the holiday-shortened week on a discouraging note. The S&P BSE Sensex and Nifty 50 fell 0.21% and 0.27%, respectively.
- The market ended lower after the Supreme Court asked telecom players to clear their dues to the government by March 17, 2020 and selling in the index heavyweight.
- Sentiments were jittery, in line with global equities on persistent worries over the economic impact of the Coronavirus outbreak in China.
- Selling pressure in realty, oil & gas and auto counters led to more losses in the market. The S&P BSE Realty index, BSE Oil & Gas index and S&P Auto index fell 1.59%, 1.38% and 1.27%, respectively.
- However, some losses were capped after the government approved Rs 4,460 crore for dairy farming and okayed changes to the crop insurance scheme
- Gains in the consumer durables, healthcare and banking counters supported the market to some extent. The S&P BSE Consumer Durables index, S&P BSE Healthcare index and S&P BSE Bankex index rose 2.06%, 0.83% and 0.45%, respectively.

Other Major Domestic News

- India's exports contracted 1.66% in January to \$25.97 billion, while imports fell 0.75% to \$41.14 billion, leaving a trade deficit of \$15.17 billion.
- Moody's Investors Service cut India's 2020 Gross Domestic Product (GDP) growth forecast to 5.4% from 6.6%, and to 5.8% from 6.7% for 2021.
- The RBI governor said structural reforms need to be continued by the government to revive demand and support the economy.
- The RBI governor said that the Coronavirus outbreak will have a limited impact on India, but the global GDP and trade will get affected due to the large size of the Chinese economy.
- The RBI will sync its accounting year with the government's fiscal year from 2020-21.
- The RBI initiated a review of the monetary policy framework.
- SEBI approved a proposal to segregate investment advisory and distribution services.
- The Government approved setting up of 10,000 new farmer produce organizations (FPOs) by 2024 with budgetary support of nearly Rs 4,500 crore.
- Minutes of the RBI's Monetary Policy Committee meeting of February showed that the central bank remained concerned about the slow pace of growth in the Indian economy amid uncertain economic data.

Global Market Summary

- Japan's trade deficit narrowed to JPY 1.31 trillion in January 2020 from JPY 1.42 trillion in the same month a year earlier and compared with market expectations of a JPY 1.69 trillion gap. It marked the third straight month of trade deficit, as exports fell 2.6 % year-on-year to JPY 5.43 trillion.

Domestic Markets			
	Previous Month	Current Month	Change %
BSE Sensex	40,723.49	39,087.47	-4.02
Nifty	11,962.10	11,201.75	-6.36
Nifty Mid 100	18,010.20	16,786.35	-6.80
Nifty 500	9,861.45	9,222.80	-6.48
BSE Small Cap	14667.96	14,209.48	-3.13

Global Markets			
	Previous Month	Current Month	Change %
Dow Jones	28,859.44	25,766.64	-10.72
NASDAQ	9,298.94	8,567.37	-7.87
S&P 500	3,283.66	2,978.76	-9.29
FTSE100	7,327.15	6,580.60	-10.19
Shanghai Composite	2,976.53	2,880.30	-3.23

Policy Rates			
	Previous Month	Current Month	Change in Bps
Reverse Repo	4.90	4.9	-
Repo	5.15	5.15	-
CRR	4	4	-
SLR	18.50	18.50	-

Commodities			
	Previous Month	Current Month	Change %
Gold 10 gm	41,885	41,510	-0.90
Silver 1 Kg	49,810	52,492	5.38
Crude Oil (\$/Barrel)	52.48	56.71	8.06

Currency in terms of INR			
	Previous Month	Current Month	Change %
USD	71.41	71.93	0.73
Euro	78.77	79.59	1.04
GBP	93.64	92.78	-0.92
JPY	1.53	1.49	-2.61

“Small Steps, Big Impacts”

Corona Crash

Projections that China may only be operating at 50%-60% of its capacity indicate the potential for serious weakness in that nation's GDP for the first quarter of 2020. Significantly, the yield on the 30-year Treasury bond traded below 2.00% for the first time in history. The recent decline in bond yields suggests investors in that market are inclined to believe that a slowdown in the economy is at hand. The rally in the bond market (prices go up when yields go down) did translate into relative strength for the interest-rate sensitive utilities sector, which fared better than growth-oriented segments. Gold was another asset class that continued to shine, as investors looked for a haven during a poor session for stocks. Gold prices today reached their highest level in nearly seven years. Despite the weak backdrop, the bulls managed to push the major indexes off their lows by early afternoon. There is a degree of conviction that the effects of the coronavirus will prove temporary, and that some of the business now being lost will be made up.



At Gretex we aim for

“Targeting the Target”

Achievements of Gretex Corporate Services:

- 19 IPOs.
- 8 Open Offers.
- Valuation of 30+ companies.

- The annual inflation rate in the United Kingdom jumped to 1.8% in January of 2020 from 1.3% in December and above market expectations of 1.6%. It is the highest reading in six months
- Hong Kong's seasonally adjusted unemployment rate rose to 3.4% in the November to January period, the highest in more than three years, government figures showed on Tuesday, as worries grew over the economic impact of the coronavirus.
- The number of people in work in Britain jumped again at the end of last year, according to data which underscores how the labor market has defied a broader economic slowdown in the run-up to December's election.

Why should we invest in SMEs and MSMEs?

- Given market volatilities and Corporate Governance irregularities, investors have become more selective, to balance the Risk and Return matrix, portfolio allocation to SMEs is the best way to maximize returns.
- Positive Post IPO price performance & attractive valuation is keeping investors engaged in SME investing.
- To unlock the true potential of SMEs & MSMEs and strengthening SME & MSME ecosystem, developing favorable access to finance is most essential.
- Along with Government also Private Organizations, Banks and market intermediaries are looking forward to contributing towards broad basing capital market initiatives for MSMEs.
- Apart from financial assistance, MSMEs require well timed holding and mentoring at crucial stages of business life cycle. Widespread awareness programs, skill development, recognition, peer learning & getting Indian MSMEs visible on global map should be part of MSME growth agenda adding up to formalization & leading to inclusive growth of Indian economy.
- Number of entrepreneurs bringing their companies to market remain high due to positive investor sentiment & growing popularity amongst fund houses & institutional investors.
- Marginal decline in number of listings is present, however fund raising in records is high.
- There has been an increase in average IPO size depicting company's being able to raise higher amounts of funds.
- Exit to Private Equity & Venture Capital funds can be provided through SME IPO route.
- Anchor investor participation seen in top IPOs. Regulators also reduced minimum anchor size from Rs 10 Cr. To Rs. 2 Cr. for SME IPO.
- Migration trend continues with increasing number of companies opting to migrate to Main Board. Now migration is possible even before completing 2 years of listing.

Why Gretex ?

Our Services are widespread in:

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|---------------------------|--------------------------------------|----------------------|
| ▪ IPO launches | ▪ Buy back | ▪ Private Equity |
| ▪ De-listings | ▪ Mergers & Acquisitions | ▪ Venture Capital |
| ▪ Open Offer | ▪ Valuation of Shares and Debentures | ▪ Offshore Financing |
| ▪ Exit Offer | ▪ Sweat Equity | ▪ ESOP |
| ▪ Corporate Restructuring | | |

Chairman's message:

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to June 2019 stood at US\$ 25.12 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020

India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country.

India is witnessing significant interest from international investors in the infrastructure space. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. India plans to spend US\$ 1.4 trillion on infrastructure in the next five years. India's national highway network is expected to cover 50,000 kilometres by 2019. National highway construction in India has increased by 20 per cent year-on-year in 2017-18. The government has suggested the investment of Rs 5,000,000 crore (US\$ 750 billion) for railways infrastructure between 2018-2030.

-Thanking You
Alok Harlalka

Chronicles of the month:

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 Forex reserve hits fresh lifetime high of \$466.69 billion
2 Govt to spend Rs 25 lakh crore to boost rural economy; over Rs 43000 cr disbursed under PM-KISAN scheme	3 China to inject \$174-bn liquidity as markets reopen amid coronavirus crisis	4	5 India may issue \$5-bn bonds in FY21 with no foreign investment cap	6 India slips to 40th position on International Intellectual Property Index	7 RBI announces incentive for lending to MSME, home, auto sectors	8
9	10 Govt to release Rs 35,000 crore to states to compensate for revenue loss	11 Banks to get 5-year CRR relief for lending to auto, housing, MSMEs	12 NSE adds 3 mn new investors in 2019, crosses 30 mn investors in Jan 2020	13 Retail inflation hits a near 6-year high of 7.59%	14	15
16	17 India in talks with Russia for long-term import of crude oil	18 RBI's maiden long-term repo operation receives Rs 1.94-trillion bids	19 PE, VC investments hit record high of \$48 bn in 2019	20 Slow economy, weak sentiment to continue weighing on auto sales: Fitch	21	22
23	24	25	26 India, US have finalised defence deals worth USD 3 billion: Trump on talks with Modi	27 India to go slow on trade deal with US, both sides to work on wider FTA	28	29

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