

## Indian Equity Market Summary:

- Reserve Bank of India (RBI) cut its Reverse repo rate cut by 25 basis points and announced various others measures like LTRO to boost liquidity in the system. RBI is aiming to maintain liquidity in the system, to facilitate and incentivize bank credit flows, to ease financial stress and to enable formal working of markets. RBI noted that economic activities have come to a standstill during lockdown. A Rs 50,000 crore special finance facility is to be provided to financial institutions such as NABARD, SIDBI and NHB. RBI would conduct TLTRO 2.0 operations of Rs 50,000 crore. The LCR requirement of scheduled commercial banks being brought down from 100% to 80% with immediate effect
- All India financial institutions (AIFIs) such as the National Bank for Agriculture and Rural Development (NABARD), the Small Industries Development Bank of India (SIDBI) and the National Housing Bank (NHB) play an important role in meeting the long-term funding requirements of agriculture and the rural sector, small industries, housing finance companies, NBFCs and MFIs. These All India Financial Institutions raise resources from the market through specified instruments allowed by the Reserve Bank, in addition to relying on their internal sources.
- India is expected to post a sharp turnaround and resume its pre-COVID pre-slowdown trajectory by growing at 7.4% in 2021-22, noted the RBI Governor Shaktikanta Das.
- Selling pressure in defensive counters such as consumer durables and information technology (IT) affected the market to a certain extent.
- The International Monetary Fund's (IMF) statement that the global economy faces the worst recession since the Great Depression in the 1930s due to the Novel Coronavirus (Covid-19) pandemic also dented sentiments.
- However, gains were trimmed as extension of the nationwide lockdown intensified worries regarding economic downturn.

## Other Major Domestic News

- India's retail inflation based on the Consumer Price Index (CPI) eased to 5.91% from 6.58% in February, owing to lower food prices.
- India's inflation based on the Wholesale Price Index (WPI) eased to 1% from 2.26% in February on the back of a sharp fall in food prices
- The IMF cuts its projection of India's economic growth to 1.9% from 5.8% for the current fiscal, which is the lowest since the 1991 balance of payments (BoP) crisis.
- The World Bank said the Indian economy is expected to grow 1.5-2.8% in the current fiscal, slowest since 1991, owing to the disruption caused by the pandemic.
- The government approved a Rs 15,000-crore package to build health infrastructure till March 2024.
- The RBI increased the ways and means advances limit to 60% to allow states the flexibility to borrow.
- The RBI allowed the three-month moratorium period on loans (from March 1, 2020 to May 31, 2020) to be excluded by banks from the counting of days past due (90 days) when it comes to asset classification by banks.
- The income tax department has issued over 10 lakh refunds worth Rs 4,250 crore in the last one week after the government's April 8 decision to issue all refunds up to Rs 5 lakh.
- India's merchandise exports shrank by more than one-third from a year ago, hit by a fall in global demand and shipments due to the coronavirus.

## Domestic Markets

	Previous Month	Current Month	Change in % terms
BSE Sensex	29,468.49	33,717.62	14.42
Nifty	8,597.75	9,859.90	14.68
Nifty Mid 100	11,703.75	13,502.00	15.36
Nifty 500	6,996.75	8,012.90	14.52
BSE Small Cap	7,608.92	11,101.84	45.91

## Global Markets

	Previous Month	Current Month	Change in % terms
Dow Jones	22,413.74	24,345.2	8.62
NASDAQ	7,833.98	8,889.55	13.47
S&P 500	2,632.01	2,912.43	10.65
FTSE100	5,671.96	5,789.53	2.07
Shanghai Composite	2,750.30	2,860.08	3.99

## Commodities

	Previous Month	Current Month	Change in % terms
Gold 10 gm	42,430	47,260	11.38
Silver 1 Kg	39,480	42,520	7.70
Crude Oil (\$/Barrel)	24.95	25.27	1.28

## Currency in terms of INR

	Previous Month	Current Month	Change in % terms
USD	75.55	75.79	0.32
Euro	82.91	82.23	-0.82
GBP	93.80	95.15	1.44
JPY	0.70	0.71	1.43

## Global Market Summary:

- Mixed performance was seen across global equities amid region-specific cues regarding the Covid-19 containment. US treasury prices ended higher as economic damage caused by the pandemic to the domestic economy deepened after release of weak economic data. Crude oil prices fell on doubts that OPEC's output cut deal will not be enough to offset losses in demand. US stocks ended mixed with Dow Jones falling nearly 1%, while Nasdaq surged almost 5%.
- Britain's FTSE dipped nearly 4% led by fall in shares of oil and tobacco firms amid signs that the country would remain under lockdown for a longer period.
- Other European equities declined due to fears over the damage caused to the global economy by the Covid-19 pandemic. France's CAC 40 and Germany's Dax advanced 3.5% and 2.5%, respectively.
- Asian equities ended in the green. Japan's Nikkei index rose about 2% as investors cheered plans by President Donald Trump for a phased reopening of the US economy.
- Hong Kong's Hang Seng rose slightly as gains on tracking positive Chinese trade data were cut short by global economic growth concerns.

## Why should we invest in SMEs and MSMEs?

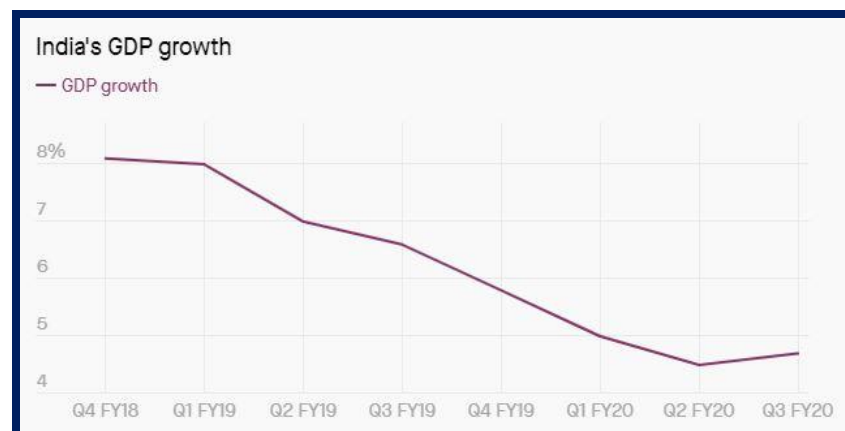
- Given market volatilities and Corporate Governance irregularities, investors have become more selective, to balance the Risk and Return matrix, portfolio allocation to SMEs is the best way to maximize returns.
- Positive Post IPO price performance & attractive valuation is keeping investors engaged 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:

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

## *“Stay Home, Stay Safe!”*



## Corona Crash

*The FTSE, Dow Jones Industrial Average, Nifty, and the Nikkei have all seen massive falls since the outbreak began on 31 December. The Dow and the FTSE recently saw their biggest one-day declines since 1987. Investors fear the spread of the coronavirus will destroy economic growth and that government action may not be enough to stop the decline.*

*Moreover, small businesses have been eradicated from the market due to insufficient funds available with the owners, which was initially caused by the global financial crisis just before the outbreak of coronavirus began. However, one of the industries which have seen a rapid growth in demand for their goods is the supermarket industry.*

*Supermarkets and online delivery services have reported huge growth in demand as customers stockpile goods such as toilet paper, rice, and orange juice as the pandemic escalates.*

*The Organization for Economic Co-operation and Development warned that the shock from the virus is already bigger than the global financial crisis.*

*OECD secretary-general Angel Gurría said, “Many countries would fall into recession and countries would be dealing with the economic fallout of the COVID-19 pandemic for years to come.”*

*“Even if you don't get a worldwide recession, you're going to get either no growth or negative growth in many of the economies of the world, including some of the larger ones. Therefore, you're going to get not only low growth this year, but also it's going to take longer to pick up in the future.”*

*This statement comes after the United Nations Conference on Trade and Development, the UN trade agency, warned of a slowdown of global growth to under 2% this year, effectively wiping \$1 trillion off the value of the world economy.*



## Corona Virus Outbreak will set back India's growth recovery:

India's economic growth could take a hit of up to half a percentage point in FY21 because of the disruptions caused by the Covid-19 outbreak, early estimates by the government suggest. But independent economists see a deeper cut of up to one percentage point. "There will be a hit of 0.3-0.5% on the GDP in the next fiscal year," said one of the officials aware of the estimate. "Growth in the first two quarters of the next fiscal could be as low as 4-4.5%," another official added. The economy is forecast to grow 5% in current fiscal, the slowest in 11 years. The Economic Survey had forecast 6-6.5% rise in FY21, but Covid-19 has hurt recovery prospects. Prime Minister Narendra Modi has asked top verticals within the government, including the Niti Aayog, the Economic Advisory Council to the PM and finance ministry to assess the economic impact of the novel coronavirus. "India is relatively insulated from the global value chain and to that extent impact on India will be less," Reserve Bank of India governor Shaktikanta Das said on Monday. "But India is integrated into the global economy, so there will be some impact." Independent experts have called for fiscal and monetary stimuli.

Sectors such as tourism, aviation, hospitality and trade will face the first brunt of the severe travel, assembly and activity curbs imposed by the governments across the world, followed by a wider impact on other sectors as economic activity stalls. Moody's has downgraded India's growth to 5.3% in 2020 due to downside risks of Covid-19. "By first quarter in the next fiscal, we can definitely see a shaving off of at least half a per cent of GDP which could go up to 1% depending on how much it permeates through the economy," said Madan Sabnavis, chief economist at CARE Ratings, pencilling in 5.5% growth for FY21. DK Srivastava, chief policy adviser at EY, said the impact would be limited to a 0.5 percentage point downward revision in the current and next quarter if the situation was contained within a month. However, if it dragged on till May, then GDP growth in FY21 could dip to 4%, he said. The "supply side contagion effect" will impact manufacturing, agriculture and the pharmaceutical industry, said Bornali Bhandari, an economist at the National Council of Applied Economic Research. Sectors such as consumer durables, automobiles and pharmaceuticals will feel the brunt of supply constraints.

Source: <https://economictimes.indiatimes.com/news/economy/policy/outbreak-will-set-back-indias-growth-recovery/articleshow/74663633.cms>

## Chronicles of this Month:

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			<b>1</b> World Bank offered USD 1 bn for proposed India project	<b>2</b> Merger of 10 PSBs into 4 comes into from 1 April	<b>3</b> RBI increased short-term borrowing limit for states, UTs by 30 percent	<b>4</b> ICRA says Banks, NBFCs to see bad loans pile up post moratorium period
<b>5</b>	<b>6</b> MSME Technology Centres contributed to combat COVID-19 outbreak	<b>7</b> NASA to set up Artemis, the first human base camp on south pole of Moon	<b>8</b> Edible oil imports in India declined to 32.44 percent	<b>9</b> Jobless rate in India rose to 23 percent due to Lockdown said CIME	<b>10</b>	<b>11</b> India exported 5 tonnes of drug including hydroxychloroquine to Israel
<b>12</b> Indonesian Anak Krakatau volcano witnessed longest eruption	<b>13</b> World Bank forecasts FY21 India growth at 1.5-2.8 percent	<b>14</b> ICMR approves Remdesivir drug against Coronavirus	<b>15</b> US approved sale of missiles worth USD 155 million to strengthen India	<b>16</b> CBDT refunded Rs.4,250 crore to help taxpayers in COVID-19 pandemic situation	<b>17</b> AIIB to lend USD 500 mn to India to help fight COVID-19 pandemic	<b>18</b> TVS acquires Britain iconic sporting motorcycle brand Norton
<b>19</b>	<b>20</b> IMF Chief confirms World economy to suffer severe recession in 2020	<b>21</b>	<b>22</b> India gifts 23 tonnes of essential medicines to Nepal	<b>23</b> NASA reported significant 20-years-low air pollution in Indo-Gangetic Plain amid lockdowns	<b>24</b>	<b>25</b> Iran launched Noor, its first military satellite
<b>26</b> RBI announced Rs.50,000 crore liquidity for Mutual Funds	<b>27</b> India became third largest military spender in the world	<b>28</b> Government of India, ADB signs USD 1.5 billion to fight against COVID-19 pandemic	<b>29</b> India will produce indigenous RT-PCR kits by end of May	<b>30</b> RBI extends regulatory benefits announced under SLF-MF		

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