

# Financial Pulse 6.0

February 2015

## What China is doing to deal with economic slowdown

China is dealing with a slowdown, as its economy last year grew 7.4 per cent, its lowest rate since 1990. Real estate and heavy industry, like steel production, have been the biggest brakes on the country's growth. Taking aim at such worries, the People's Bank of China on Wednesday reduced the share of assets that commercial banks must hold as reserves. Doing so gives institutions more leeway for lending, which is particularly beneficial to real estate and industry. Read more at: [http://economictimes.indiatimes.com/articleshow/46130694.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46130694.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Government studies US approach to prepare policy for Chinese investments

The government is planning to make it easier for Chinese companies to invest in India, as it seeks to attract investment from its neighbour and pave the way for friendlier relations between the two countries ahead of Prime Minister Narendra Modi's visit in May. The Indian security establishment has so far prevailed over the government and discouraged or stopped Chinese investments in telecom, power, and other sectors on the grounds that these could have implications on national security. Read more at: [http://economictimes.indiatimes.com/articleshow/46138240.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46138240.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Online mobile recharge platform Freecharge raises \$80 million from Valiant Capital, Tybourne Capital and Sequoia

Online mobile recharge platform FreeCharge has raised \$80 million (about Rs 480 crore) in funding from a host of investors including San Francisco-based head fund Valiant Capital Management and Hong Kong-based hedge fund Tybourne Capital Management. The round also saw participation from existing investors—Sequoia Capital, RuNet and Sofina. Read more at: [http://economictimes.indiatimes.com/articleshow/46137535.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46137535.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



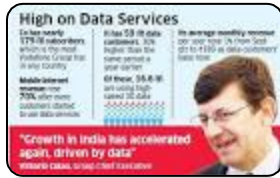
## Alibaba enters India's e-commerce space with 25% stake in Paytm owner One97

Alibaba, the world's biggest and most valuable ecommerce firm, has finally moved to pitch its flag in India. An Alibaba affiliate, Ant Financial Services Group, said on Thursday it had signed a deal to buy a 25% stake in Indian mobile payments and ecommerce platform Paytm owner One97 Communications. While both sides did not reveal financial details, three sources familiar with the deal said Ant would initially pay around \$200 million for the stake and stump up \$375 million more in tranches. Read more at: [http://economictimes.indiatimes.com/articleshow/46138131.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46138131.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Vodafone India outpaces other group units, posts 15% growth in December quarter

Vodafone's Indian unit outpaced its group counterparts to report 15% organic growth in revenue in the quarter through December, as subscribers used more of its premium data services, even as the basic voice telecom service remained under pressure, like its top rivals. Organic service revenue, which takes out items like handset sales and forex fluctuations, at the local unit of UK's Vodafone Group rose to £1.1 billion (Rs 10,786 crore). In the July-September quarter, it had posted revenue of £1.0. Read more at: [http://economictimes.indiatimes.com/articleshow/46131226.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46131226.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## S&P downgrades Greek credit rating amid concerns over cash

Standard & Poor's has cut its credit rating on Greece further into junk status amid concerns over the country's cash position, and even warned over the country's future membership of the 19-country eurozone. As the new Greek government tries to reach a new deal with bailout creditors, the agency said Friday it has lowered Greece's long-term rating by one notch to B- and warned that a further downgrade is possible by keeping the country on so-called "CreditWatch negative." Read more at: [http://economictimes.indiatimes.com/articleshow/46150582.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46150582.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Greece insists on temporary funding to give time for reforms

The Greek government will insist in negotiations with its EU creditors on reaching a deal on temporary funding before it presents a long-term agenda for renegotiating the country's foreign loans, a government source said Friday. This should include 1.9 billion euros (\$2.2 billion) in profits made by the European Central Bank from holding Greek government bonds, the source said. Read more at: [http://economictimes.indiatimes.com/articleshow/46150550.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46150550.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Google can disrupt car industry but is no automaker: Daimler

Technology companies such as Google are unlikely to become mass car manufacturers, even if they have the potential to disrupt an industry increasingly focused on software and automated driving, the head of German carmaker Daimler said on Friday. In recent years, automakers and Silicon Valley companies have grown increasingly inter-dependent because next-generation cars need advanced software and sensors, shaking up the traditional pecking order among carmakers and their suppliers. Read more at: [http://economictimes.indiatimes.com/articleshow/46150616.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46150616.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Google takes Android One outside India, launches handset in Indonesia

Google has taken its Android One initiative outside India with a launch in Indonesia in partnership with Spice Mobility's local brand Nexian and two other handset makers, Evercross and Mito. This comes at a time when the US search giant's Indian device partners are launching the devices in Nepal, Sri Lanka and Bangladesh. Read more at: [http://economictimes.indiatimes.com/articleshow/46150786.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46150786.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Economic growth in India firming up: OECD

India's growth is "firming up" while most of the major economies, including China and the US, are seeing stable momentum, according to Paris-based think-tank OECD. In a report released today, the Organisation for Economic Cooperation and Development (OECD) also said the euro area is seeing tentative signs of positive change in growth momentum.



Read more at: [http://economictimes.indiatimes.com/articleshow/46175855.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46175855.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Bank of Japan's Yoshihisa Morimoto says Japan won't return to deflation despite oil rout

Japan will not slip back into deflation as improvements in the economy offset the temporary pressure on prices from slumping oil costs, a central bank policymaker said, signalling that no immediate

expansion of monetary stimulus was necessary. Bank of Japan board member Yoshihisa Morimoto acknowledged that consumer inflation is likely to slow in coming months due largely to steep falls in crude oil prices, which are driven both by excess supply and weak global demand. Read more at: [http://economictimes.indiatimes.com/articleshow/46172104.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46172104.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)



## Sensex, Nifty under pressure; top 20 intraday trading ideas for falling markets

The S&P BSE Sensex plunged as much as 380 points in trade on Monday, for the seventh straight day on sustained selling by investors amid exit polls showing that AAP would form the government in New Delhi. Tracking the momentum, the 50-share Nifty index also broke below its crucial psychological level of 8600, weighed down by losses in realty, capital goods, metals and auto stocks. Read more at: [http://economictimes.indiatimes.com/articleshow/46172068.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46172068.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Google acquires content app Odysee for plus team

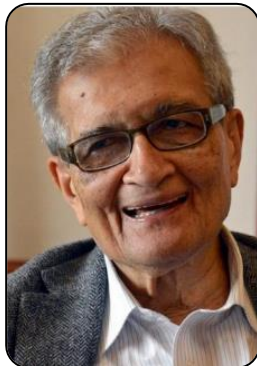
Google has acquired Odysee, an app that lets users back up and access content captured on their mobile or tablet cameras from their PCs, for their Google+ service. A message posted on the app's website says that the Odysee Platform team will be joining the Google+ team. The company has also informed existing users that the app service will be discontinued from February 23rd and post that date, all the existing users' photos and videos will be available as a downloadable archive. Read more at: [http://economictimes.indiatimes.com/articleshow/46172091.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46172091.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Strong dollar vexes mid-sized US exporters, local demand helps

First thing every morning Bill Hickey turns on the TV to see where the U.S. dollar is trading in the hope it has lost value against the euro and other currencies. "And there it is, staring you right in the face," says Hickey, president of Chicago-based steel company Lapham-Hickey Steel, about the dollar's continued strength. "The strong dollar is going to be bad for us and it's going to be bad for the U.S. industrial economy." Mid-sized U.S. manufacturers, such as Lapham-Hickey, are likely to bear the brunt of the dollar's climb that has lifted it nearly 10 percent against the euro and 7 percent against major currencies since mid-December. Foreign exchange strategists polled by Reuters shortly after the euro hit an 11-year low of \$1.11 on Jan 26 cited a nearly one-in-three chance the euro would hit parity or lower in the coming year. Read more at: [http://economictimes.indiatimes.com/articleshow/46172024.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/46172024.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Amartya Sen wins John Maynard Keynes Prize

Regarded as one of the foremost thinkers in the field of famine, poverty, social choice and welfare economics, Economist and Nobel laureate Amartya Sen has won the newly instituted Charleston-EFG John Maynard Keynes Prize. He is currently a Professor of Economics and Philosophy at Harvard University. **Read more:** <http://www.thehindubusinessline.com/todays-paper/tp-news/amartya-sen-wins-john-maynard-keynes-prize/article6879905.ece>



## Exports Fall 11.2% to \$23.88 Billion in Jan, Most in Two-and-a-half Years

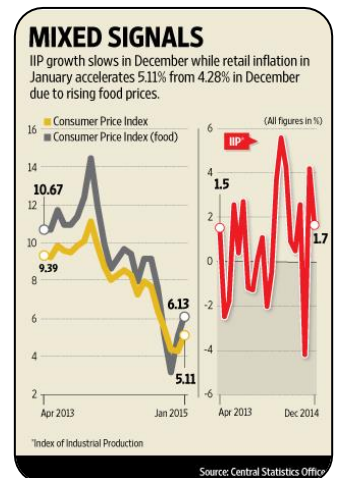
India's exports fell 11.2% to \$23.884 billion in January, the most in two-and-a-half years, but the slump in global crude oil helped lower the country's import bill and narrow the trade deficit. The monthly contraction was led by low valuation of petroleum products and dismal performance of the gems & jewellery and pharma sectors.



**Read more:** <http://economictimes.indiatimes.com/news/economy/finance/exports-contract-by-11-19-to-23-88-billion-in-january/articleshow/46234857.cms>

## Dec Factory Output Slows, Jan Inflation Up

The Index of Industrial Production (IIP), grew at a measly 1.7% in December compared with 3.9% a month ago, while a new series of retail inflation based on 2012 as the base year showed the consumer-price inflation quickened to 5.11% from 4.28% in December due to rising food prices. Under the old series of 2010, retail food inflation in December stood at 5%. Like GDP, the Consumer Price Index has been reformatted. The new index carries a higher weight for education and health services, but has a lower weight for food and fuel items, which authorities say better reflects changing consumption patterns. **Read more:** <http://www.livemint.com/Politics/91u1pv9q01bPRjCiCyIy8H/I-industrial-output-up-17-in-December.html>



## Mirach Fiasco: Sahara Group Initiates Legal Action; Eyes New Deal

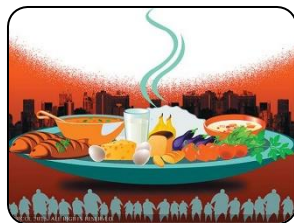
Mirach Capital on Wednesday, 11<sup>th</sup> Feb formally called off its \$2.05-billion loan financing for Saharas, accusing it of being an "unwilling seller" for the three overseas properties -The Plaza and Dream Downtown in New



York and the Grosvenor House in London. **Read more:** <http://economictimes.indiatimes.com/news/politics-and-nation/mirach-fiasco-sahara-initiates-legal-action-eyes-new-deal/articleshow/46216432.cms>

## Zomato to Invest Rs 300 Crore

Online restaurant guide Zomato will begin to take orders for meals on behalf of restaurants listed on its portal, the launch timed to coincide with the start of the Cricket World Cup will cover 2,000 restaurants in March and extend to 10,000



restaurants in the next six months. **Read more:** [http://articles.economictimes.indiatimes.com/2015-02-12/news/59083738\\_1\\_pankaj-chaddah-deepinder-goyal-zomato](http://articles.economictimes.indiatimes.com/2015-02-12/news/59083738_1_pankaj-chaddah-deepinder-goyal-zomato)

## ITC Buys Savlon, Shower To Shower Brands from J&J

ITC Ltd has acquired Savlon and Shower To Shower brands for India from Johnson & Johnson as part of its ambitious goal to become the country's largest FMCG Company by 2030 and achieve revenue of 1 lakh crore from FMCG businesses.

**Read more:** <http://economictimes.indiatimes.com/industry/cons-products/fmcg/itc-to-acquire-johnson-johnsons-savlon-and-shower-to-shower-brands/articleshow/46229863.cms>

## Star India Acquires Maa TV for Rs 2.5k Crore

Rupert Murdoch's Star India, which was missing a key piece of southern television entertainment action, has now attempted to set that right with the purchase of the biggest Telugu entertainment network, Maa Television Network Ltd.

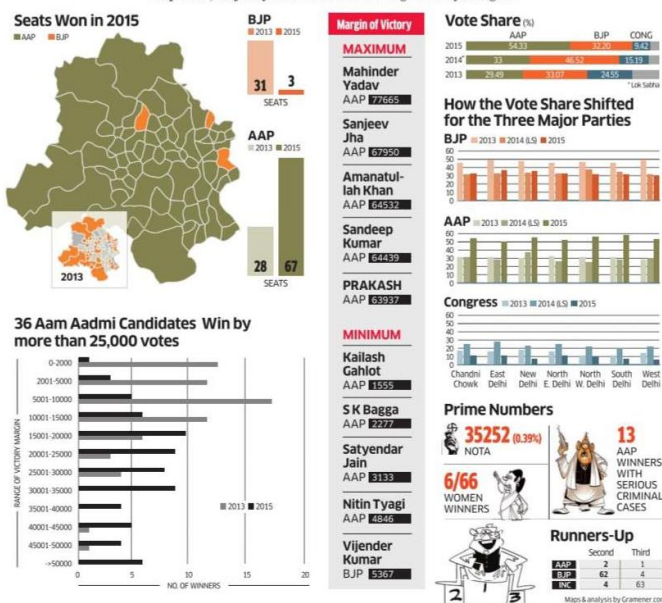
## Sembcorp buys 60% stake in Green Infra

What would be the first instance of a foreign company acquiring an Indian wind power firm, Singapore's Sembcorp Utilities -a wholly owned subsidiary of Sembcorp Industries -has agreed to pick up a controlling stake in Green Infra, a company controlled by IDFC's private equity (PE) arm. Sembcorp will invest `1,051 crore for a 60% stake, valuing the company at over `4,400 crore, inclusive of debt.

**Read more:** [http://articles.economictimes.indiatimes.com/2015-02-12/news/59083421\\_1\\_renewable-energy-sector-idfc-alternatives-idfc-private-equity-fund](http://articles.economictimes.indiatimes.com/2015-02-12/news/59083421_1_renewable-energy-sector-idfc-alternatives-idfc-private-equity-fund)

## SWEEPING VICTORY

Scripting history: From a non-entity to a Giant Killer. That's Aam Aadmi Party for you. 95.7% seats in pocket, majority of winners record huge victory margins



**Stock Review****Exchange Rates****Top Performers (All Companies)**

	CMP	Gain Percent
Disa India	5106.00	20.00
Gillette India	4189.10	20.00
Skyline Venture	86.15	19.99
Anjani Cement	102.05	19.99
Sarup Ind	121.00	19.98

**Top Performing sectors**

Gain percent

Building Materials	2.94%
Diversified	2.58%
Banks	1.92%
Beverages	1.91%
FMCG	1.90%

**Worst Performers (All Companies)**

	CMP	loss percent
Esteem Bio	44.80	89.91
Quasar India	48.90	89.52
Encash Ent	72.00	20.00
Nagpur Power	24.20	19.87
Inducto Stl	24.40	18.39

**Worst Performing Sectors**

Loss percent

Airlines	1.70%
Trading	1.32%
Shipping	1.24%
Real Estate	1.04%
Hotels	0.45%

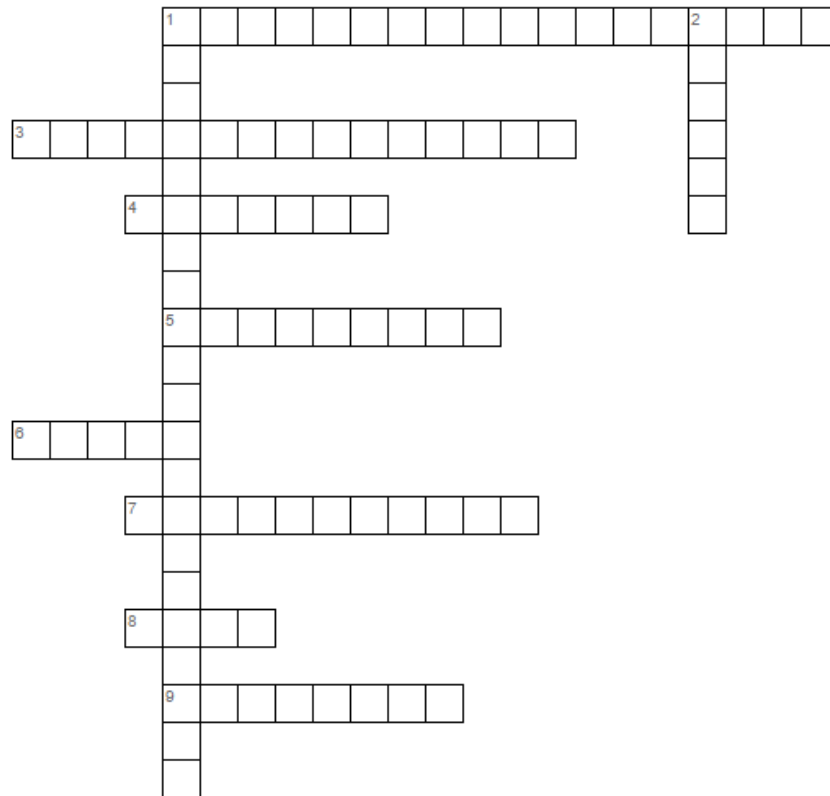
**Commodities**

	Price	Unit
<b>Gold</b>	26,691.00 inr	10 gm
<b>Silver</b>	38,204.00 inr	1 Kg
<b>Crude oil</b>	\$52.78	1 barrel

**Indian Rupee**

US dollar	62.06
Euro	70.63
British Pound	95.55
Australian dollar	48.20
Canadian dollar	49.84
Singapore Dollar	45.80
Swiss franc	66.53
Chinese Yuan	9.94
Malaysian ringgit	17.33

CROSSWORD



Across

- 1 Capital Budgeting is a part of \_\_\_\_\_
- 3 With some loans it is possible to make a large repayment at the end of the tenor
- 4 In real account, building purchased would be \_\_\_\_\_
- 5 A sound Capital Budgeting technique is based on \_\_\_\_\_
- 6 Opportunity costs are excluded in capital budgeting – T/F
- 7 President of ECB
- 8 Lower Debt-Equity Ratio means lower Financial Risk - T/F
- 9 The lowest amount by which the value of a security can change

Down

- 1 Measure of Debt Service capacity of a firm
- 2 It is usually restrictive and is levied on products which are deemed undesirable by the society

Send in your answers by February 28, 2015. Winners will be declared in the next issue.

Last Edition

Crossword Winner: Ajit Saxena