

## MIDNIGHT NEWS UPDATES

- Donald Trump on Monday signed a proclamation order putting the issue of H1-B, H2-B and L1 visas on temporary suspension till December 2020. These visas will only be issued in the event of a national emergency where such person's contribution would be vital. In the last few years, Most Indian IT companies like Infosys, Wipro and TCS had relied on these H1-B visas to send their engineers to client sites and India accounted for 70% of the total H1-B visas issued by the US. Ironically, the NSE IT index was up 1.5% on Tuesday as markets had already factored in a temporary suspension of these visas.
- Bank of Baroda's fourth quarter results came as a pleasant surprise as the company swung into profits for the Mar-20 quarter. BOB reported a net profit of Rs.507 crore in the Mar20 quarter compared to a loss of Rs.991 crore in the Mar-19 quarter. Its net interest income or NII was up by 5% in the quarter at Rs.6798 crore. Operating profits increased by nearly 47% in the quarter to Rs.5121 crore due to a sharp fall in operating expenses. Gross NPAs of BOB fell from 10.43% to 9.4% as recoveries improved in the quarter. More importantly, the bank's slippage ratio fell from 4.34% to just 2.97% in Mar-20 quarter.
- Asian Paints reported a 2.1% drop in net profits to Rs.462 crore. This is more than 10% lower than the consensus estimates for the quarter. This fall was largely driven by a 7.1% fall in total revenues to Rs.4636 crore. One of the main reasons was the loss of sales due to the lockdown and that also impacted the profits of the company. Despite double digit volume growth in the first two months of the quarter, March proved to be a dampener. While the industrial paints segment suffered due to the slowdown in GDP growth, the decorative paints segment continued to see robust growth till February.
- According to a report issued by the SBI Macro Research team, the per capita income of India could actually fall by 5.4% in the current fiscal year 2021. The report noted that 8 states that accounted for 47% of the overall India GDP, had witnessed a sharp fall in growth. Many of the rich states like Gujarat, Maharashtra and Delhi with higher than average per capital income have been the worse impacted by the pandemic and that is likely to rub off on overall per capital income. India's per capital income at less than \$2000 is lower than most sub-Saharan economies and even Eastern Europe and Central Asia.
- Mukesh Ambani confirmed that their company was working closely with Saudi Aramco of Saudi Arabia to finalize the finer points of the stake sale. It may be recollected that Reliance had signed a deal with Aramco last year to sell a 20% stake in its refining and petchem business to Saudi Aramco at a price of \$15 billion. This would have valued its core refining and petchem business at \$75 billion. However, the deal approval got stuck with the government due to outstanding dues payable by Reliance on the gas finds in the KG Basin. The Aramco deal was originally supposed to help RIL become zero net-debt but the deal did not go through after the crude prices crashed globally on weak demand and a shortage of storage space. RIL and Aramco may agree to a lower valuation or a smaller stake sale.
- Blackstone plans to sell part of its Embassy REITS stake worth \$257 million in a block deal. Currently, Blackstone owns 55% in the REIT and this sale represents 7% of the capital of the company. It will be looking at a price band of Rs.340 to Rs.350 per share. The REIT has been among the better performers since its listing last year. With flexible working options and with IBM planning to end leases for nearly half of its offices in India, Blackstone sees underlying shift in the REITs business. IBM contributes 12% of overall revenues of Embassy REITS as it has leased close to 3.6 million SFT of office space from Embassy.

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