

MIDNIGHT NEWS UPDATES

- The Rs.4500 crore IPO of Mindspace REITs will be open from 27 July to 29 July. The REITs derives nearly 76% of its income from its properties in Mumbai and Hyderabad with Chennai and Pune making a much smaller contribution. It has already raised Rs.1587 crore from anchor investors including Government of Singapore and Fidelity and has commitments from strategy investors to the tune of Rs.1125 crore. That almost takes care of 60% of the issue size. The IPO is priced in the range of Rs.274-275 and provides a good avenue for investors to diversify their portfolios with an exposure to commercial real estate.
- Foreign portfolio investors withdrew a total of Rs.86 crore for the Indian markets in the first 3 weeks of July 2020. FPIs invested Rs.2336 crore in equities but withdrew Rs.2422 crore from debt as rising cases of Coronavirus and the rising US-China tensions created a risk-off atmosphere in global debt. It may be recollected that FPIs had net bought Rs.24,053 crore in June after 5 consecutive months of selling during the current year. Even equity investments have been extremely restricted to select sectors with most of the FPI flows gravitating towards insurance and the IT sector, which are seen as defensive plays.
- India's export of passenger vehicles dropped sharply to 43,748 units in Jun-20 from 173,054 units in the Jun-19 period. Passenger car exports for the quarter dropped by 76.58% to 31,896 units while the exports of utility vehicles dropped 67.56% to 11,813 units in the Jun-20 quarter. According to SIAM, this was largely attributable to the COVID related disruptions. It has not only shut down factories and almost killed demand, but it has also impeded the supply chains to the auto industry. PVs from India are essentially exported to countries in Latin America, Europe, Africa and Asia. Hyundai was worst hit.
- Seven out of the 10 most valuable companies in the Nifty added Rs.203,000 crore in market cap during the week ended July 24. Nearly 75% of the value accretion came from Reliance Industries along, which added Rs.148,881 crore to its market cap in the last one week. ICICI Bank added Rs.18,135 crore to its market value while HDFC Bank added 10,788 crore during the week. Infosys and ITC added another Rs.15,000 crore between them. Among the losers in value during the week were stocks like Hindustan Unilever, TCS and Bharti Airtel. HUL took a hit in the week after weak volume growth in Jun-20 quarter.
- For the quarter ended Jun-20, debt mutual funds saw net inflow of Rs.111,000 crore while equity inflows were much lower at below Rs.12,000 crore. In terms of debt fund categories, liquid funds, banking & PSU funds and corporate bond funds saw heavy inflows. On the other hand, credit risk funds and medium duration funds saw heavy outflows during the Jun-20 quarter. Among the closed ended debt funds, FMPs saw heavy outflows in the quarter in excess of Rs.17,000 crore. The big trend was that the overall buy and sell volumes in the debt segment were sharply lower than the previous four quarters clearly hinting at the pressures that corporate treasuries were facing in the midst of COVID-19. Among the hybrid funds, the only sub-segment that saw heavy inflows was the cash-futures arbitrage funds.
- Canada's Brookfield Asset Management is planning to raise up to \$700 million by listing its Real Estate Investment Trust (REIT). The proposed REIT is likely to be listed by March 2021. The Indian REIT segment is catching the fancy of investors with good response seen from institutions for the two REITs IPOs till date. In India, Brookfield owns and operates a portfolio of 22 million SFT of office property. It had recently acquired the entire Power office portfolio from the Hiranandani group. It has also picked up the troubled Unitech Corporate Park and the Jet Airways office in Bandra Kurla Complex in Mumbai.

Contact:

Ambalal Shares & Stocks Pvt Ltd

**Plot No.2, Kewal Chand Plaza,
Brindavan Street,
Ambalal Green City, Old Bye Pass Road,
Vellore- 632 004,**

Contact No: 0416-2227751-55.

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