



STRICTLY STREET

The official newsletter of AAMDANI



ADD TO VOCAB

BETA

A measurement of the relationship between the price of a stock and the movement of the whole market. If stock XYZ has a beta of 1.5, that means that for every 1 point move in the market, stock XYZ moves 1.5 points, and vice versa.

JIO LAUNCHES UPI PAYMENTS FEATURE

Mukesh Ambani-led telecom major Reliance Jio has launched UPI-powered payments service and has started offering the feature to its subscribers. The company has become the first telecom operator to enter the UPI payments space. Reliance Jio, with its UPI payments feature, will now compete with private UPI payments providers - Paytm, Google Pay and PhonePe. Currently, Reliance Jio is India's largest telecom operator with over 370 million subscribers. Jio's UPI payments feature, which is only available for select users now, will soon be made available to others.

ANOTHER CO-OP STEPPING INTO THE ABYSS?

The co-operative banking sector has come under a cloud again after the Reserve Bank of India (RBI) stopped Bengaluru-based Sri Guru Raghavendra Sahakara Bank from doing business with immediate effect for alleged irregularities in transactions. According to the RBI, customers can withdraw only Rs 35,000 of the total balance in every savings bank or current account or any other deposit account. The RBI curbs on Sri Guru Raghavendra Sahakara Bank unnerved depositors as the co-operative banking sector is yet to recover from the collapse of Punjab and Maharashtra Co-operative Bank in Mumbai recently. The central bank said the curbs should not be construed as cancellation of banking license by RBI. The Co-op Bank will continue to undertake banking business with restrictions till its financial position improves. These curbs will remain in force for a period of six months from January 10, 2020.



SEBI LAUNCHED OPTIONS IN GOODS UNDER COMMODITY DERIVATIVES

In a move that will integrate the commodities spot market with the derivatives segment, Securities and Exchange Board of India (Sebi) on Thursday allowed stock exchanges to launch 'option in goods' for their commodity derivatives segment. Exchanges can now settle options with underlying goods as earlier it was done only through commodity futures. Exchanges willing to start trading in options with goods underlying shall take prior approval of Sebi for launching such contracts. Underlying goods are notified under Securities Contracts Act, 1956. Earlier, options in commodities market were settled at the futures price on expiry, while now it can be settled through delivery also. For the first time Indian commodity derivatives market will witness both European as well as American options, whereas in securities market options are restricted to European style only. This move will further strengthen the commodity derivatives market and option will reduce the risk for the hedgers.



HIKE IN INFLATION WORRYING INDIANS' SENTIMENT



Consumer price inflation / Retail inflation in India jumped to 7.35% in December of 2019 from 5.54% in November and well above market expectations of 6.2%. The inflation accelerated for the fifth straight month, remaining the highest rate since July of 2016. The recent spike in inflation lowered chances of another rate cut in February. India's wholesale inflation, measured by the Wholesale Price Index, rose from 0.58% in November to 2.59% in December, the highest level in seven months. It was driven by surge in prices of food items such as onions. The rate of increase in the price for food articles rose to 13.24% during December, against 11.1% in the preceding month. Growth in oil prices has added to the uptick which presents a new risk in India. CPI has breached the upper end of Reserve Bank's comfort level i.e. 2-6% target band for the first time since July 2016. In December, when the central bank kept its key interest rate unchanged after its monetary policy review, it cited "much higher than expected" inflation for its decision. The Centre has mandated the Reserve Bank of India to keep inflation in the range of 2-6%. The RBI, which mainly factors in the CPI based inflation, is scheduled to announce its next bi-monthly monetary policy on February 6. In its December policy, the central bank, which had been reducing rates, had kept the repo rate unchanged citing inflationary concerns. Also, the Reserve Bank of India (RBI) announced that it will carry out its fourth special open market operation (OMO) on 23 January, wherein, it will simultaneously purchase and sell government securities worth Rs 10,000 crore each. It will buy 7.32% of government bonds maturing on January 28, 2024. Simultaneously, it will sell 7.8% government bonds maturing on April 11, 2021 and 7.94% government Bond maturing on May 24, 2021. The RBI began conducting these special bond purchase and sale operations to reduce the spread between short term and long term interest rates in the bond market in late December last year. Through this, it aims to bring down long term interest rates.

GRAB THE FACTS

- Pepsi got its name from digestive enzyme Pepsins. It was originally launched to treat the digestive enzyme of the stomach.
- The United States generates more than 20% of the world's GDP with about 4% of the world's population.
- Nokia started its journey by opening a wood mill in the Nokia city of Finland and they later entered into the rubber products.

AMAZON'S INITIATIVES IN BOOSTING THE INDIAN ECONOMY

Just two days after unveiling its plan to invest an additional \$1 billion (about Rs 7,000 crore) in India to help bring small businesses online, Amazon on January 17 said it would create 1 million new jobs in India by 2025 through continued investments in technology, infrastructure, and its logistics network. The US-based ecommerce company said the jobs - created both directly and indirectly - will be across industries, including information technology, skill development, content creation, retail, logistics, and manufacturing, and are in addition to the 700,000 jobs Amazon's investments have enabled over the last 6 years in India. Bezos, who visited India recently, has faced the wrath of small business owners who allege the online retail marketplace and Walmart's Flipkart have flouted the country's foreign investment norms by providing deep discounting on their platforms. On 13th January, the Competition Commission of India has ordered its investigative wing to probe Amazon and Flipkart over their discounting practices, exclusive brand launches on the platforms and the preferential treatment they have allegedly offered to certain mobile phones sellers. It observed that only a few online sellers were selling mobile phones launched exclusively on Amazon and Flipkart and that "it can be prima facie inferred that there appears to be exclusive partnership between smartphone manufacturers and ecommerce platforms for exclusive launch of smartphone brands". Since 2014, Amazon has grown its employee base more than four times, and last year inaugurated its new campus building in Hyderabad - Amazon's first fully-owned campus outside the United States and the largest building globally in terms of employees (15,000) and space (9.5 acres). Amazon India, on 20th January, said its fleet of delivery vehicles in the country will include 10,000 electric vehicles (EVs) by 2025. These EVs are in addition to the global commitment of 100,000 electric vehicles in the delivery fleet by 2030, announced in the Climate Pledge signed by Amazon. Amazon India aims to reduce carbon emissions and the environmental impact of delivery operations with the introduction of the electric vehicles.

ZOMATO IN NEWS

Since 2008, Zomato is serving the cravings of people in India and other countries whereas Ant Financials, an Alibaba affiliate is serving Zomato's cravings by raising \$210 million, then \$600 million and now \$150 million. Zomato is currently delivering over 1.3 million orders a day from 150,000 restaurants across India at more than 10 orders per restaurant per day. It has acquired the Indian operations of Uber Eats, the food delivery biz run by Uber, for around \$350 million. The transaction marks the first big consolidation move in the cash-intensive online food-delivery market, led by Swiggy and Zomato. Zomato will not absorb Uber Eats' team in India. This means around 100 executives will either be reallocated to Uber's other verticals here or laid off. Uber Eats will cease to exist as a separate brand locally and users on its platform will be redirected to Zomato's app, said one of the people privy to the details.

HIGHLIGHTS

- India has been ranked very low at 76th place out of 82 countries on a new Social Mobility Index. It measures parameters necessary for creating societies where every person has the same opportunity to fulfil his potential in life irrespective of socioeconomic background.
- Chinese technology company Lenovo has unveiled the world's first foldable PC – called ThinkPad X1 Fold – at the on-going tradeshow CES 2020.
- The Reserve Bank of India (RBI) has launched a mobile app, Mobile Aided Note Identifier (MANI) to help visually challenged people to identify denomination of currency notes.
- India emerges as the third-largest ecosystem for successful startups behind China and US, according to the Hurun Global Unicorn List 2019.

TEST YOUR AWARENESS

1. Which country has the world's strongest passport according to the latest edition of the Henley Passport Index?
2. Which bank has signed a MoU with Indian Army for customized services?
3. Who is the current chief of the World Bank Group?

SOURCES

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- www.thehindu.com
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