



STRICTLY STREET

The official newsletter of AAMDANI



ADD TO VOCAB P/E Ratio

This measure reflects how much you pay for each dollar that the company earns. A company often reports profits on a per-share basis.

SC LIFTS RBI CRYPTO BAN

The Supreme Court today, struck down a ban imposed by the RBI on banks from allowing their systems to be used for cryptocurrency related payments in April 2018. The RBI ban applied only to the use of banking channels for crypto transactions and thus individuals continued to trade in cryptocurrencies using peer-to-peer networks, even after the ban. Trading between cryptocurrencies (without use of rupee payments for settlement), also continued. However the Supreme Court judgment may pave the way for revival of bitcoin and other cryptocurrencies as an asset class by reopening up the formal financial system to it.



POSITIVE MEASURES TAKEN BY CORPORATES WORLDWIDE

- In a move to support the fight against spreading coronavirus pandemic, some of the fast-moving consumer goods (FMCG) majors like Hindustan Unilever Limited (HUL), Godrej Consumer and herbal products brand Patanjali have decided to reduce the prices of sanitisers and soaps.
- Anand Mahindra, the chairman of Mahindra & Mahindra has decided to offer his 100% salary towards an assistance fund to deal with the rising menace of Corona virus and has directed his group to immediately begin work on manufacturing of ventilators at its own factories as Covid-19 appears to be reaching the stage 3 of transmission. Also, Mahindra Holidays will offer resorts as temporary care facilities.
- Digital payment platform Paytm committed Rs 5 crore for Indian innovators developing medical solutions related to coronavirus.
- WhatsApp, the Facebook-owned instant messaging service, has created the WhatsApp Coronavirus Information Hub — in partnership with the WHO, UNICEF, and UNDP — to offer simple, actionable guidance, general tips and resources for users around the world to be better informed about the disease and hence reduce the spread of rumors. It is also donating \$1 million to the Poynter Institute's International Fact-Checking Network (IFCN). The \$1 million grant will help in fact-checking for the #CoronaVirusFacts Alliance, which spans more than 100 local organizations in at least 45 countries.
- LVMH, the French luxury giant, is converting perfume manufacturing at all its Christian Dior, Guerlain, and Givenchy facilities to the production of hand sanitizer that will be made available for free by French health authorities to combat the spread of COVID-19.
- Tesla joined General Motors and Ford in offering to make hospital ventilators in auto factories that have been shut by the coronavirus outbreak. Tesla CEO Elon Musk said his electric vehicle company would make ventilators if there is a shortage.
- In a voluntary initiative, Cipla, an Indian pharmaceutical company, has come forward to manufacture anti-viral drugs, which could be effective for Covid-19, through a partnership with CSIR-Indian Institute of Chemical Technology (CSIR-IICT). CSIR-IICT has decided to work on three promising compounds namely Remdesivir, Favipiravir and Baloxavir. It would take about six to 10 weeks to make two of the compounds of 100 gms each at the lab scale.



IMPACT ON LIVE EVENTS INDUSTRY

The live events industry, which constitutes events, activation, trade shows and more, is shaken by the coronavirus outbreak as many high-profile events are either cancelled or postponed. The industry's loss so far has been estimated at around Rs 3,000 crore by the Event and Entertainment Management Association (EEMA), and many organisers are concerned that even after the pandemic is over, it will take a while before brands and audiences start spending money on events. In the last two months alone, events including IIFA2020, India Gaming Expo, FDCI India Fashion Week GoaFest, PU Tech, ITB-India, India Fintech Festival, Ultra Festival and META Theatre Awards got cancelled. Also, big-ticket events including Trevor Noah's 'Loud & Clear' and Khalid's Free Spirit Tour were postponed. Additionally, product launches of Indian and global brands, promotions and activations are getting cancelled or postponed, impacting hotels, event management companies, service providers, catering companies, the infrastructure and technical supply chain and the millions employed by them.

Does the corona affect our internet usage?

In the current time of social distancing, have you observed low internet speeds at your home? If not, then you may face it soon. Consumers of mobile and home broadband services may soon have to brace for sharp slowdowns in data speeds, dropped video calls or heavy buffering as India Inc asks staff to increasingly work from home to contain the spread of Covid-19. Experts and analysts say existing telecoms infrastructure belonging to Bharti Airtel, Vodafone Idea and Reliance Jio Infocomm may be ill equipped to handle any sudden countrywide upsurge in home internet consumption, given the continuing spectrum crunch, low fiberisation levels and poor wired broadband penetration. Time, they said, had come for the government to allocate fresh spectrum resources, create more WiFi hotspots and enable fast-track fibre rollouts on a war footing to grapple with a likely jump in India Inc's home internet consumption, especially if the pandemic lasts for several months.

Latest data put out by the telecom regulator pegs the average monthly wireless data usage per user at 10.37 GB, which analysts say could rise by around 15% in the next two quarters if people continue to work from their homes over a prolonged period. T V Ramachandran, president of Broadband India Forum (BIF), said that quality of telecom services is bound to suffer as telcos don't have the requisite spectrum resources, nor is there adequate fiber on the ground to manage a sharp jump in home internet consumption in a prolonged pandemic. Telcos conceded there could be a sharp jump in home internet consumption amid the ongoing pandemic, and were setting in motion plans to manage network congestion more effectively by closely monitoring the emerging voice and data traffic consumption patterns. Experts though are sceptical, saying telco networks would face enormous stress in coming weeks, leading to a sharp potential decline in quality of wireless internet experience as they were never designed for work-from-home (WFH) scenarios, in that, network penetration is stronger in commercial areas than inside homes.



Airlines facing the gloomy pandemic

Most airlines in the world will be bankrupt by the end of May due to the coronavirus pandemic and only coordinated government and industry action right now can avoid the catastrophe, global aviation consultancy firm CAPA has said. The U.S. has suspended all tourist visas for people belonging to the European Union, the U.K. and Ireland. Similarly, the Indian government has suspended all tourist visas and E-visas granted on or before March 11.

The Indian government, on 19th March, said it will not allow any scheduled international commercial passenger aircraft to land in India beginning March 22 for a period of a week. The move is the latest among a slew of steps the government has announced to curb passengers coming from abroad in light of the coronavirus pandemic. Previously, it announced the suspension of all visas for passengers coming from Covid-19 countries, including all of the EU, the UK and several Gulf countries.

Besides disallowing landing of international flights, the government also announced other steps. Among other steps, the government said it had cancelled all concessional railways and civil aviation tickets, except for students, patients and divyang categories. All this further exacerbates the situation of falling passengers and falling profits. But keeping in mind the spread of COVID-19, it is necessary to take such drastic steps to contain the spread of the virus.

WISE SAYINGS

"Growth and comfort do not coexist." - Ginni Rometty (IBM CEO)

FINANCIAL TIPS IN THE TIME OF DISTRESS

Emergency fund - Beyond your mindset and pantry, take this opportunity to consider your money. In an ideal world, we should all have an emergency fund in a savings account that covers three to six months' worth of living expenses. If you don't have this, consider building up your savings with any extra money you can — even Rs. 1000 to start. In an extreme situation where you weren't able to work or leave the house, your emergency fund could help you manage through the crisis.

Your investments - It's understandable to want to take a look at your financial portfolio, including any investments you have. But you should avoid making any panicked decisions in light of recent stock market turbulence. If you are already prudently diversified and aligned with your risk profile, time horizon and goals, it is likely your best course of action to stay the course. At this time, it's important to remember that volatility is the price you pay for long-term positive returns. If you exit the market, then you avoid the pain, but you're quite likely to miss out on portions of the expected gains. If you're not invested, your investments can't recover.

Remember your appetite for risk - Investing in the stock market is inherently risky, but what makes for winning long-term returns is the ability to ride out the unpleasantness and remain invested for the eventual recovery. You'll be able to do that if you know how much volatility you're willing to stomach in exchange for higher potential returns.

Know what you own — and why - An emotional reaction to a temporary slump isn't a good reason to dump an investment. But there are some good reasons to sell. Part of doing stock research is crafting a written record of the strengths, weaknesses and purpose of every investment in your portfolio. During a market downturn, this document can prevent you from tossing a perfectly good long-term investment from your portfolio just because it had a bad day.

Best time is to buy at the dip - Market dips are when fortunes can be made. The trick is to be ready for the fall and willing to commit some cash to snap up investments whose prices are dropping. You probably won't catch the stock at its low, but that's fine. The point is to be opportunistic on investments you think have good long-term potential.

TEST YOUR AWARENESS

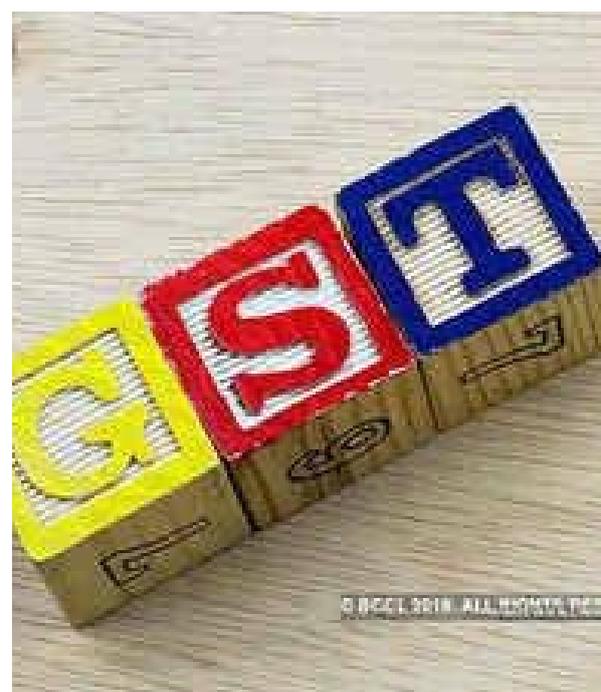
- 1) How much funds are dispersed to SAARC Nations under Emergency COVID-19?
- 2) Government of India is providing benefits to COVID-19 affected workers under which scheme?
- 3) The Greenco Certification or rating followed by India is provided by which Industry?

GRAB THE FACTS

- Facebook's famous 'Like' button was initially considered as the 'Awesome' button, but the name idea was ultimately rejected by Zuckerberg.
- Pepsi was originally launched in 1898 to offer a cure for stomach aches.
- BMW Owns Rolls-Royce and the Mini Brands.
- The first Apple Computer logo depicts Isaac Newton under an apple tree.

MOBILE PHONES TO COST MORE?

Mobile phones will attract an 18% goods and services tax (GST) rate from April 1, 2020, up from existing 12%, after the GST Council corrected the inverted duty structure that was being faced by the industry. The Council, however, deferred rationalizing the tax structure of fertilizers, man-made yarn, fibre and footwear, to the next meeting. "Mobile phones and specified parts to attract 18% versus 12%. All other items, if there's a need to calibrate the rates, to remove the inversion, we can take them up in future, examination of that can happen at a later time," said finance minister Nirmala Sitharaman after conclusion of the 39th GST Council meeting on Saturday.



HIGHLIGHTS

- Foreign portfolio investors (FPIs) have pulled out close to Rs 1 lakh crore (US \$13 billion) from India in March 2020.
- The current financial market crash wiped out as much as \$24 trillion from the global stock market and hurt nearly all financial assets as the coronavirus plummeted economies around the world.
- RBI has extended regulatory restrictions on PMC bank by 3 months till June 22.

SOURCES

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