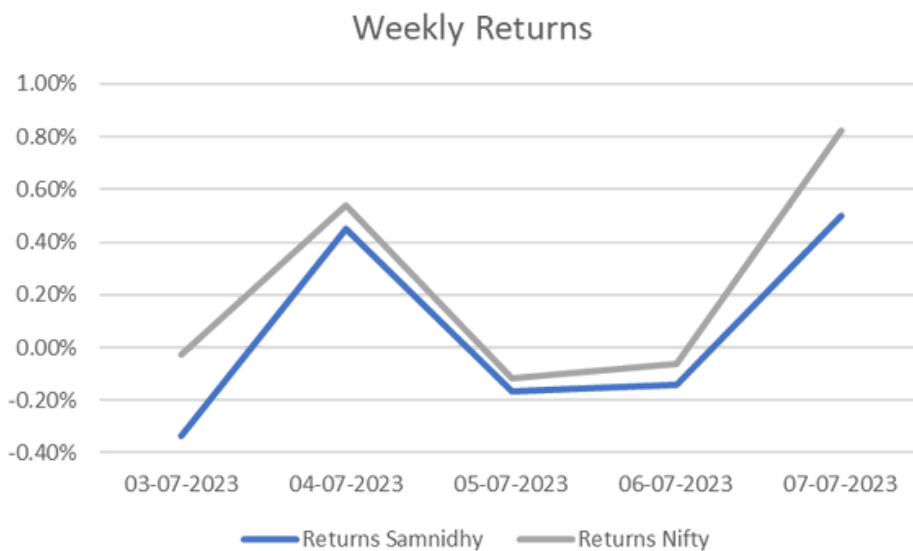


VITT – VRIDDHI

THE SAMNIDHY NEWSLETTER



SAMNIDHY FUND PERFORMANCE VS. BENCHMARK



TOP GAINERS THIS WEEK

 Infosys

 Reliance

 airtel

TOP LOSERS THIS WEEK

 PI Industries

 BAJAJ FINANCE LIMITED

 TRENT LIMITED

News & Updates

Consumer Durables

Arzoo's recent industry entrant, NU, has entered India's consumer durables sector with a premium product range, featuring smart HDR LED TVs, air conditioners, and washing machines. Targeting a 20% market share in 3 years, NU plans to distribute its products through Flipkart, Amazon, and key offline retailers.

Analysis: Since newer competitors are undercutting the competition through aggressive pricing, the market for televisions, washing machines, and air conditioners will become more intense. This will put significant pressure on the margins of market leaders like Samsung, Voltas, and Whirlpool.

Energy & Metals

The World Bank approved 1.5 Billion USD in financing to speed up the development of the low-carbon energy sector in India. The financing will assist in scaling up renewable projects, Green Hydrogen initiatives and stimulate investments in other low-carbon energy projects.

Analysis: This funding assists in the success of the National Green Hydrogen mission and the government's plan to issue bids for 50 GW of renewable energy from FY23-24 to FY27-28

Infrastructure

In May, the Index of Industrial Production (IIP) surged by 14%, following a previous increase of nearly 13% in April, mainly fueled by infrastructure and construction output. Capital goods production also rose, reaching 8.2%, up from 6.2% in the previous month.

Analysis: Overall, it's a mixed bag, with infra-oriented sectors outperforming, but consumer spending still has to rise. Based on high-frequency indicators such as GST e-way bills, rail freight traffic, and gasoline sales, IIP growth may slow to around 3%-4% in June.

Financial Services

FTSE Russell announced on July 13 that Reliance Industries' demerged entity Jio Financial Services (JFS) will be added to three indices: FTSE All-World Comprehensive Factor, FTSE Emerging Comprehensive Factor, and FTSE All-World ex CW Balanced Factor, effective July 20, 2023. JFS will also join several Russell RAFI indices, pending the completion of the demerger. The listing date for JioFinancial Services remains undisclosed.

Analysis: FTSE Russell's addition of Jio Financial Services (JFS) to multiple indices highlights its growth prospects. This move, pending the demerger from Reliance Industries, signals a positive outlook for JFS, attracting investor interest and boosting its marketvalue.

Major Business Deal



Defence ministry signs contract with HAL for Dornier Aircraft worth INR 458 crore

The Indian Ministry of Defence has entered into a contract with Hindustan Aeronautics Limited (HAL) to purchase two Dornier Aircraft for the Indian Coast Guard (ICG) at a cost of INR 458 crore. The aircraft will be manufactured domestically by HAL at their Kanpur facility and will be equipped with various advanced systems, including a glass cockpit, maritime patrol radar, electro-optic infra-red devices, and a mission management system.

This acquisition is expected to enhance the ICG's capabilities for aerial surveillance in maritime regions. The Ministry of Defence emphasized that the procurement of the Dornier Aircraft aligns with the government's "Make in India" initiative and will significantly contribute to achieving self-reliance in the defence sector.

In March 2023, the defence ministry had previously finalized certain procurement deals to enhance the operational capabilities of the Indian Armed Forces. In addition to this, recently in June 2023, in a landmark deal which gives a massive boost to ties between the US and India, General Electric (GE) Aerospace signed a Memorandum of Understanding with HAL to produce fighter jet engines for the Indian Air Force. This latest contract with HAL for the acquisition of two Dornier Aircraft for the Indian Coast Guard marks another significant step in strengthening the country's defence infrastructure and promoting domestic manufacturing in the defence sector.