

GROUND VIEW



Road Less Travelled

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Key takeaways from interaction with former senior marketing person at Emami

by Vishal Gutka



We spoke to a former senior marketing person from Emami, who has looked after the male grooming portfolio to understand why Fair & Handsome (market leader in the men's fairness cream segment) has been struggling over the past few years and what can be done to address this challenge.

Facts about the Fair and Handsome brand

- Emami launched this brand in 2005 after gauging the humungous potential – 30% of female fairness cream users were men at that point.
- For this product, revenue mix between rural and urban was 70 : 30; clearly, rural areas contribute a lion's share.
- Market size: Rs 4bn, which used to be Rs 5.5bn a few years ago.
- Market share in men's fairness cream:
 1. F&H (Emami): 65%
 2. Glow and Handsome (HUL): 25%
 3. Others: 10%



Our checks suggest that the revenue size of the Fair and Handsome brand is Rs 2.8bn, out of which c.10% revenue comes from facewashes, which means 90% of the F&H brand revenue comes from its core – fairness cream.

Why has the F&H brand struggled over the past few years?

The Fair and Handsome brand grew at a scorching pace till 2015-16 and became a Rs 2bn+ brand, given its first-mover advantage, high-decibel media campaign, and relatively less competitive intensity. However, it began losing its sheen when consumers started switching (2015-16 onwards) to facewashes from fairness creams, more specifically in urban areas, whose contribution to overall sales reduced to 30% at present from 40% in 2015-16.

Customers started switching to facewash because they were looking for products that offer much more than pure fairness – young boys are more interested in pimple care, oily skin, and hygiene issues. Moreover, customers in India tend to apply fairness cream on only special occasions while face washes have higher use cases – since the format is more convenient and they provide instant fairness.

Category	Fair & Handsome	Original		Calculated	
		Quantity (gm)	Price	Quantity (gm)	Price
Face Cream	Laser 12 Advanced Whitening	30	150	1,000	5000
	Fairness Cream for Men	30	75	1,000	2500
	Radiance Cream for Men	60	125	1,000	2,083
		100	230	1,000	2,300
Face Wash	Instant Fairness Face Wash	120	260	1,000	2,167
		120	170	1,000	1,417
	Instant Radiance Facewash	50	85	1,000	1,700
		120	145	1,000	1,208
	100% Oil Clear Instant Radiance Face Wash	100	145	1,000	1,450
5 in 1 Pimple Clear Instant Fairness Face Wash	50	85	1,000	1,700	

Our ground checks revealed that some customers also left the category since they felt their skin became oily after application. We believe a lotion could have been a solution to this problem, but some senior consumer experts told us that people do not like to apply lotion on their faces, which creates a barrier for converting cream users to lotion.

Incrementally, the trend of keeping a beard since the past few years has also hurt the growth of key male grooming products (fairness creams, razors, and shaving creams), since the application area significantly reduces.

How has Emami fared in the high-growth facewash segment?

Emami decided to try its luck in the face-wash segment, but its performance on this front was not great; its market share has been capped at 10-12%, much lower than its 65% market share in fairness creams (men's facewash market size is Rs 4-5 bn), given it was a later entrant and did not have anything different to offer. Garnier leads the pack with more than 50%+ market share. At an overall level (including female facewash), Himalaya remains a market leader given its natural proposition (neem-

based) and because it comes in the gel format while other face washes are mostly in the foam format.

What would be a good strategy to change the sagging fortunes of the F&H brand?



Emami has changed its brand ambassador from Shahrukh Khan to Salman Khan, the Bollywood actor with a massive following in rural areas. Moreover, the management is more focused on communicating multiple benefits of this brand – that apart from the fairness quotient, it can be used to avoid tanning, sun protection, reduce pimples and oily skin, thereby providing more radiance. It has changed its strategy so that application occasions among core consumers rise significantly, rather than for only specific occasions.

Other male grooming products within the Emami basket



He Deo range: Emami has been able to capture only 2-3% market share in the deodorant category despite a media blitzkrieg (Tiger Shroff as brand ambassador) due to severe competition

and higher trade margins. Management decided to take the innovative route (Pocket deo, Magic duo), but most of the innovation was copied by competition. In Magic Duo (which it launched few months before the pandemic in March 20) customer can have three fragrances in one bottle; so far this concept has stayed with Emami, but we believe competitors will copy it once business in the discretionary category normalizes.

'Man Company' brand: Emami has recently increased stake in Helios Lifestyle (the organization which owns the Man Company brand) to 46% from 33%. Man Company is a premium brand with products that are distinct from Fair & Handsome/ He Deo range. There is no conflict between the brands and currently Man Company does not use Emami's



distribution network.

Key takeaways from interactions with the largest distributor of Berger Paints – north region

by Vishal Gutka

- **Demand deferred, not destroyed:** Paint demand is not robust since consumers are holding back discretionary purchases given fear of a third covid wave. Paint demand will pick up from 2H, as wedding / festival season approaches, along with pent-up demand from earlier quarters.
- **Price hikes:** Berger has taken cumulative price hike of 14% in decorative paints and 22% in industrial paints in FY22, to negate RM inflation.
- **Paint demand has taken a knock in the institutional segment:** Price hikes are not a material deterrent for individual households, but demand was significantly impacted in the institutional segment (hotels, restaurants, etc.).
- **Dealers as well as other influencers (painters, contractors) did not receive similar support in the second wave as they did in the first one.** Expect some gains in terms of margins for paint companies to come in because of this.



- **APNT has upped the ante in projects:** Asian Paints has become more competitive in its projects business, grabbing market share from other players. Moreover, the attitude of employees at the ground level has changed for the better (apart from its moat of pricing, range, and product quality), which has led to big gains in projects.
- **Regional / local paint players have lost significant market share in the past 15-18 months** because of RM inflation and organized players deferring price hikes. The second covid wave has made the situation even more vulnerable for these players.

RETROSPECTIVE PERSPECTIVE

– by Roshan Sony

Snippets

Key trends of the last few weeks....

India

- **Indian economy picks up after May lockdown collapse**; economic damage less severe than 2020, early June data suggests. **Economic activity has improved since May-end** – says RBI governor Shaktikanta Das. **Private survey says 58% Indian companies significantly impacted by covid.**
- **Covid cases continue to fall.** Govt claims almost 85% decline in daily COVID-19 cases since highest reported peak on May 7.
- **Vaccination rollout slows again**, with about 400mn total vaccines administered and only about 50mn people fully vaccinated.
- **RBI could "revisit its focus on growth risks"** due to the retail inflation spike in May, says global forecasting firm Oxford Economics. Most economists believe a rate hike this year is unlikely.
- **Indian bankers are optimistic** and anticipate stronger credit growth in the coming quarters because of pent-up demand; their hope hinges on accelerated vaccine rollouts.
- **Companies reduce their debt by more than Rs 1.7tn in FY21**, says an analysis by State Bank of India of the top-15 sectors, representing more than 1,000 publicly traded firms.
- **Personal loans grow, industrial loans fall.**
- **Some top lenders look at raising up to US\$ 2bn overseas** in anticipation of an increase in credit demand.
- **Rural markets are likely to remain resilient** driven by normal monsoon, increased MNREGA outlay, and MSP – says Hindustan Unilever CEO Sanjeev Mehta. However, WIPRO Consumer Care & Lighting says the pandemic has slowed growth of FMCG products in rural areas.
- **Scanty southwest monsoon** affected kharif crop sowing.
- **Gold price plunged** as Indians sell gold with covid pushing millions into poverty.
- **Price hikes = inflation.** With rising commodity prices and logistics costs, companies across a range of sectors (automobiles, consumer electronics, smartphones) are hiking prices, repeatedly.
- **Oil prices stays above US\$ 75 a barrel**, apparently on surging demand from the industrialized world.
- **Indian savers continue to flock to equities.** Equities mutual funds garnered c.Rs 60bn in June, lower than May's Rs 100bn, but net additions on for fourth straight month. SIP accounts hit record highs. Last month, retail investors drove 50% of trading volume, but now FPI, DII participation is falling.
- **Auto sales rise in June** on pent up demand.
- **Earnings upgrades:** FY22 consensus projections for Nifty 50 EPS up 10% since the beginning of 2021; FY23 EPS up 6%.
- **IPO boom continues** – The primary market is set for a bumper Rs 800bn deluge with 30 companies already filing IPO papers to raise Rs 550bn.
- **Indian firms up ESG** (environmental, social and governance) disclosures.

International

- **Early signs of covid cases picking up visible** in US, Japan, Germany, France, Italy, Spain, Australia; next wave clearly visible in Netherlands.
- **Powell says no rate hike soon.** Not to raise interest rates too quickly based only on the fear of coming inflation.
- **The two main factors that global markets hinge on at present:**
 - When will the Fed monetary tightening begin?
 - Is global inflation here to stay or is it fleeting?
- **A significant global bond market correction is likely** in the next three months, as central bankers eye the exit door from pandemic emergency policy; modestly higher yields in a year – says Reuters poll of strategists.
- **Falling yields** are generally a sign of disinflation/deflation; experts debate if yields are predicting a fall in inflation.
- **Michael J Burry claims big bubble in stocks**; he had predicted the collapse of the housing market bubble in the US in 2008
- **Capex revival.** Refinitiv data for 4,100 global non-financial firms with a market value of at least US\$ 1bn show their cumulative capital expenditure is set to grow 10% in 2021, the most in a decade. Hitherto cash piles were being used on share buybacks and on repaying debt.
- **Instead of emerging poorer after the pandemic, US households added \$13.5 trillion in wealth last year**, the biggest increase in records going back three decades even as the coronavirus pandemic plunged Americans into recession – WSJ article shows.

"Communists did the right thing," – Charlie Munger, 97-year-old long-time friend of Warren Buffett, about the handling of Jack Ma

Covid new cases by country

- **Rising:** US, Japan, Germany, UK, France, Italy, South Korea, Russia, Spain, Australia, Mexico, Indonesia, Netherlands, Belgium, Thailand
- **Falling:** Brazil
- **Steady at low levels:** India, Canada, Turkey, Saudi Arabia, Switzerland, Taiwan, Sweden
- **Almost non-existent:** China, Poland

Time for rhetorical, but important questions

- 10-year US treasury yields dropped to 1.29% from 1.75% on March 31 – is it possible that the inflation theme has played out and falling bond yields are actually signalling a coming disinflation or even a deflation? In the light of the steady accumulation of unsustainable debt globally, is a coming deflation the gust that topples this house of cards? And can the fed do anything about it?
- When does market 'intervention' become market 'manipulation'? Theoretically, money printing should lead to lending and spending, but it almost never does because bankers don't lend as much and people/businesses do not borrow as much as they should. The printed money only creates asset bubbles. And the one thing about bubbles is that they burst – at some point.

- Will it be possible to avoid a crash? The rise in the global markets since the Financial Crisis of 2008 and the near-continuous quantitative easing that propped markets up even through tough times has proven that (in theory) the markets could be in a perpetual uptrend. But is less than 15 years enough to prove that this is sustainable?
- Will a crash be a good thing? A much-needed cleansing for the system, and a weeding out of the bad assets to emerge stronger and clearer?

“Seemingly rational individuals have been affected by the herd mentality, and have bought and sold assets at prices that did not reflect fair value. Often, investors justify their decisions by saying they are in a new paradigm and the current set of circumstances are set to continue forever. The reality is usually far from that - in fact, quite the opposite” – Mike Taylor, CEO, PIE Funds

Market buzz

FII's appetite for Indian equities dimming, but they turn bullish on Indian insurance stocks. Cost of group health insurance for employers increased 25-40% in the wake of the second wave	Global inflation may not last as long as earlier expected – in line with what the central banks have been saying
Interest in beaten down real-estate and auto stocks	Oil could come off below US\$ 70
Travel and tourism industry to do well	Commodity cycle peak sooner than expected
Chatter on about 'pockets of exuberance and opportunity'	Gold could gain if Delta or other variants create more havoc
Great optimism around IT stocks	Renewed interest in renewables
Deleveraging and demergers in focus	

Ransomware attacks!

This has become a big global nuisance over the last few years and seems to have intensified this year, even as people and businesses reel under the pressure of covid. Nobody has been spared, large corporations, little businesses, individuals, organisations, schools, even hospitals and critical infrastructure. Ironically, these attacks even targeted organizations that counter ransomware attacks (cyber insurance carriers, data backup vendors).

The biggest attack so far was the breach of Kaseya, a software vendor, who REvil ransomware used to infect other organizations. Up to 1,500 businesses around the world are estimated to have been affected by this attack which targeted Kaseya's popular tool called VSA, used widely to manage IT infrastructure of smaller firms.

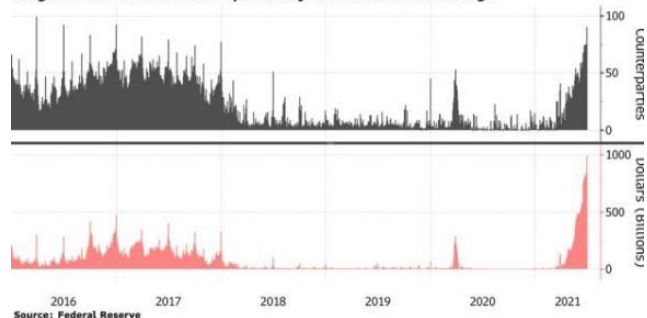
Some big companies affected in recent times include Acer, CNA Financial, Applus Technologies, Colonial Pipeline Company, Ireland's Health Service Executive, and AXA. Interestingly, more often than not, companies have paid up, even if data restoration is not guaranteed. According to Chainalysis, victims paid more than US\$ 400mn in ransom last year, but in reality this number could be much higher.

Fed reverse repo

- The use of the fed reverse repo facility has climbed to almost US\$ 1 trillion.
- After a lethargic and feeble tightening in 2016-18, the Fed began quantitative easing again from about Sept 2019. Some economists believe that this was because it must have sensed that the yield curve was sufficiently high to absorb the amount of treasuries that would come to the market then. Because the repo market sort of stopped working in late 2019, threatening to push short-term interest rates up sharply, the Fed increased the volume of repo loans. By some estimates about US\$ 120bn in this type of QE has been hitting the market since.
- Now there is so much excess liquidity that there isn't a safe spot to park these funds and treasury bill rates were near zero. This is when the Fed began to roll out a large reverse repo program – it has risen from negligible to almost a trillion dollars in just a few short months. Demand for the Fed's RRP facility surged since the after it raised the offering rate to 0.05% from 0% in June.
- What has happened is that as a flood of cash continues to engulf US dollar funding markets. The logical thing to do is for the Fed to stop or reduce QE – which it will not do, because that is not what the politicians want. However, the politicisation of central banks the world over is a topic for another day.

A Popular Place to Park

Usage of the Fed's reverse repo facility climbed to a record high



NIIP and the dollar

The dollar is still the world's reserve currency. But will it stay that way?

A net international investment position (NIIP) measures the gap between a country's stock of foreign assets and foreigners' stock of that country's assets; it can be called a nation's balance sheet with the rest of the world. US' NIIP has increased almost six-fold in 2010-21 to US\$ 14 trillion. This poses quite a significant threat to the value of the dollar.

There are several possible outcomes IF the authorities decide to tackle this situation:

- Rise in taxes (least favoured cause they are believed to hurt the economy).
- More than US\$1 trillion QE almost in perpetuity (implications on inflation and related fallout).
- Repatriation of capital leading to a fall in the dollar's value; the USD is dislodged as the world's reserve currency.

Don't give up on gold, silver and platinum – Marc Faber, The Gloom, Boom & Doom Report

Countries and regions	Date	GDP ^[3] (US\$MM)	Date	NIIP ^[4] (US\$MM)	Date	NIIP (%GDP)
United States	2021	22,675,271	2020	-14,092,102	2020	-65.6
Spain	2021	1,461,552	2020	-1,160,494	2020	-84.3 ^[5]
United Kingdom	2021	3,124,650	2020	-857,572	2020	-24.6
France	2021	2,938,271	2020	-746,964	2020	-26.7 ^[5]
Ireland	2021	476,663	2020Q3	-705,962	2020Q3	-164.4 ^[5]
Australia	2021	1,617,543	2020	-664,900	2021	-41.1
Mexico	2021	1,192,480	2020	-590,113	2019	-51.4
Brazil	2021	1,491,772	2020	-553,045	2019	-39.6
India	2021	3,049,704	2021	-379,300	March 2020	-14 ^[7]
Greece	2021	209,857	2020	-358,796	2020	-176.4 ^[5]
Turkey	2021	794,530	2021Q1	-339,495	2021	-42.7

US Afghanistan war ends, but it is really never ending

The Taliban waltzes into Afghanistan as the US bows out

US cleared out its largest and last air base in Afghanistan earlier this month under the cover of darkness. As the US troops moves out, Taliban moves in, with pomp and gaiety. The terror group already claims to have control of 85% of Afghan territory. Brave Afghanis troops and civilians are putting up a fight but are severely underequipped. Most agree that the mess the US has left behind in Afghanistan is evocative of the way it left behind Vietnam. A civil war seems inevitable.

A farcical stance: Biden has called for Afghanistan's leaders to "come together" and move their country forward – how does one negotiate with terrorists and fundamentalists? Meanwhile, Taliban's surge in north Afghanistan has already sent thousands fleeing.

India is worried: For India, which has deep interests in Afghanistan, the security situation there will remain a focus as External Affairs minister Jaishankar meets Afghanistan President Ashraf Ghani and U.S. Special Envoy Zalmay Khalilzad in Tajikistan and Uzbekistan. India fears that under the Taliban, Afghanistan could become a nursery for anti-India terror groups.

China and Russia are expected to play a greater role in the region filling in the vacuum that the US leaves behind. Most agree that nobody would benefit from the Taliban's power growing, so hopefully these two countries will act as checks.

One of the disastrous outcomes of the US pull-out is equipment losses

– the group controls a third of the country and this share is steadily increasing, allowing it to capture vast quantities of military equipment from Afghan security forces.

Former President George Bush has already called the Afghanistan troop pullout a 'mistake'. "Afghan women and girls are going to suffer unspeakable harm. This is a mistake... They're just going to be left behind to be slaughtered by these very brutal people, and it breaks my heart," Bush told German broadcaster Deutsche Welle.

Sector Watch

- **Falling:** Energy, utilities, oil and gas
- **Beginning to taper off:** FMCG, IT
- **Fresh burst of energy:** Capital goods, real estate

Sector	Indices trend over one month			
	1m	3m	6m	1yr
Basic materials	Up	Up	Up	Up
Discretionary	Up	Up	Up	Up
Energy	Down	Up	Up	Up
FMCG	Up	Up	Up	Up
Finance	Up	Up	Up	Up
Healthcare	Up	Up	Up	Up
Industrials	Up	Up	Up	Up
IT	Up	Up	Up	Up
Telecom	Flat	Up	Down	Up
Utilities	Down	Up	Up	Up
Auto	Down	Up	Up	Up
Banks	Up	Up	Up	Up
Capital goods	Up	Up	Up	Up
Consumer durables	Up	Up	Up	Up
Metal	Up	Up	Up	Up
Oil and gas	Down	Up	Up	Up
Power	Down	Up	Up	Up
Realty	Up	Up	Up	Up
Teck	Up	Up	Up	Up

Note: Views, if any, expressed in this section, are the author's own.

June (15-30)

INDIA

- May fiscal deficit at 8.2% of budget estimate vs. 59% yoy.
- Govt alerts three states about the 'delta plus' variant.
- Retail petrol and diesel prices continue to make new all-time highs.
- ED transfers Rs 94bn from assets seized from Vijay Mallya, Nirav Modi, and Mehul Choksi to the Centre and state-run banks.
- Moody's cuts India's growth to 9.6% forecast from 13.9% for CY21. S&P Global Ratings cuts forecast for FY22 to 9.5% from 11%. NCAER says economy may grow 8.4-10.1% in FY22.
- FM Nirmala Sitharaman unveils relief measures such as a Rs 1.1tn loan guarantee scheme for COVID-affected sectors.
- Gold imports jump multi-fold to US\$ 7bn in April-May on low base.
- Telecom Ministry liberalises guidelines for OSPs (other service providers); no distinction between domestic and international players.
- Sebi issues framework for supervisory body for investment advisors. Clears rules for mutual funds whereby fund houses may need to invest more in new fund offers.
- Cipla gets DCGI OK to import Moderna vaccine.
- India headline inflation at 6.3% for May.
- Tatas plan 10 EVs by 2025.
- Infosys begins 1.23% share buyback with a budget of Rs 92bn.
- Cross-margining okayed in commodity derivatives.
- Reits, InvITs allowed to tap bond market.
- RBI tightens dividend payout norms for NBFCs, links them to bad debt.
- ICICI Bank emerges top holding of domestic equity mutual funds in the past year. With a prolonged business embargo on HDFC Bank, ICICI Bank gained market share in cards.
- Reliance aims to grow retail 3x.
- Microfinance institutions see collection efficiency drop below 70%.
- RBI allows banks to recover part of gold metal loan advances in physical gold.
- Adani Group to export first coal from its Australian mining project this year.

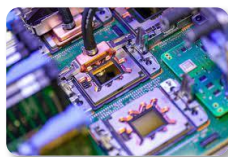


- Hero Motocorp increases the price of its motorcycles and scooters.
- Maruti Suzuki to raise prices across its range next quarter to offset higher input costs.
- Godrej Properties becomes India's largest listed real estate developer in terms of sales bookings in FY21 with pre-sales of Rs 67bn despite the pandemic.
- Vedanta emerges as a successful bidder for a coal block in Odisha.
- MSCI considers launching indices for cryptocurrency assets.
- Centre mulls separating EPF and pension accounts.
- Abu Dhabi National Oil Company enters strategic partnership with Reliance Industries for petchem facility at TA'ZIZ in Abu Dhabi.
- Mukesh Ambani announces Rs 750bn investment in clean energy.
- SAT stays Sebi's order on Franklin Templeton.
- Nifty Index is up for review in Sept. Info Edge and Avenue Supermarkets are said to be contenders.



INTERNATIONAL

- Infections, deaths continue to soar in Russia.
- The global chip shortage pushes up prices of items such as laptops and printers.
- US factory activity index rises to record high in June – Markit.
- US current account deficit rises to 14-year high in the first quarter
- Japan exports jump most in 41 years, machine orders rise; however, May factory output posts biggest monthly drop in a year.
- John McAfee (antivirus software company founder) found dead in his jail cell from an apparent suicide.
- Federal Open Market Committee unanimously decides to keep interest rates near zero for now; but, 13 of the 18 committee members expect at least one rate hike by the end of 2023. Fed's Powell says will not raise rates on inflation fears alone. Two regional officials say Fed's faster withdrawal from the central bank's bond purchase program could give it more leeway to decide when to raise rates.



- New owners of Jet Airways (the mysterious Murari Lal Jalan and Kalrock Capital) renew their pledge to have Jet Airways back in the skies soon. However, creditors are likely to recover only 5% of their dues; the new owners propose paying only Rs 3.8bn of the Rs 78bn owed.
- South Africa's former President Jacob Zuma sentenced to 15 months in prison by highest court in the country. Riots, looting, and turmoil ensue.
- London-based hedge fund that suffered losses betting against US retailer GameStop Corp in first meme stock rally shuts down.
- Major heatwave affects the Pacific Northwest.
- Ultraconservative Raisi elected Iran president as rivals concede.



July (1-15)

INDIA

- Cabinet rejig: 43 new ministers sworn in.
- Amul hikes prices of milk.
- Petrol breaches Rs 100-mark in Delhi and Kolkata. Cost of air turbine fuel rises significantly.
- Eight core manufacturing sectors show 16.8% growth yoy, albeit from a low base.
- Nine European countries to allow Indians inoculated with the SII's Covishield to enter without facing mandatory quarantine.
- India's purchasing managers' index for manufacturing at 48.1 in June. It contracts for the first time in 11 months.
- Andhra Pradesh government decides to reopen schools from August 16.
- Court refuses protection to digital media portals from coercive action.
- Vodafone Idea seeks to raise up to US\$ 3bn from Apollo Global.
- Samsung offices searched by revenue intel on suspicion of customs duty evasion. Samsung is Reliance Jio Infocomm's exclusive 4G equipment provider.
- Cairn dispute: A French court orders a freeze on residential properties owned by the Indian government in central Paris.
- RBI warns banks etc. against structuring deals linked to the London Interbank Offered Rate (LIBOR) as it is nearing the end of its shelf life, will be replaced next year.
- Paytm aims for Rs 170bn IPO.



- Government plans to raise +Rs 36bn by selling 7.5% in NMDC via an offer for sale.
- Nasdaq-listed crypto exchange Coinbase to expand India operations.
- NMDC cuts iron ore prices amid fall in steel prices.
- Zika virus hits Kerala.
- Report says Indian e-commerce industry to hit US\$ 188bn by 2025, up 3x from US\$ 64bn in 2020.
- Top steelmakers shortlisted for acquiring Neelachal Ispat Nigam.



- SII to make 300 million doses of Sputnik V jabs annually.
- Dentsu projects advertising spend in India in 2021 at US\$ 9bn; up 11% after dropping 13% in 2020.
- S&P affirms India's sovereign rating at BBB-. Says outlook stable, gradual recovery, which will gain pace in H2FY22; fiscal weak, deficits will remain elevated.
- India's retail inflation in June at 6.26%.



- Factory output up 29% yoy in May.
- RBI disallows Mastercard from onboarding new customers
- Airtel logs a speed of over 1 Gigabit per second during a 5G field trial in Mumbai using Nokia's network gear.
- Positivity rate in Delhi at an all-time low.
- Delhi HC tells Centre to take action against Twitter.
- India records highest-ever exports in a quarter in June to US\$ 95bn.
- No reason to revise GDP growth projection downwards: RBI chief.



- Finmin gets bigger: Department of Public Enterprises now part of it.
- GST revenue slips below Rs 1tn mark in June, at Rs 928bn.
- Tata Steel June quarter crude steel output jumps over 43%; sales up 35%
- Paytm to file draft prospectus as early as July 12 for \$2.3 billion IPO

INTERNATIONAL

- Biden backs huge economic stimulus bill conditionally, says he would sign if Democrats pass another, bigger budget bill.

- The UK govt identifies a new covid strain called the Lamda variant originating in Peru.
- Richard Branson reaches the edge of space and safely returned to Earth, an hourlong trip.



- UK PM Boris Johnson confirms that all legal Covid restrictions in England will end at Step 4 of the roadmap - expected to be on 19 July.

- Megaship Ever Given heads out of Suez Canal after Egypt deal.
- Afghanistan Defence Minister says "war is raging" with Taliban.
- Saudi Arabia and the UAE have a rare Opec-related diplomatic spat and standoff.
- European Commission slaps US\$ 1bn fines on top auto cos (BMW, Volkswagen) after finding they colluded to impede competition in diesel emissions systems.



- China celebrates Communist Party's 100th anniversary.
- France fines Google \$593 million over copyright row.

- Bezos steps away as Amazon CEO
- Face masks may become personal choice as UK lifts lockdown even as cases rise.
- Biden and Merkel 'united against Russia aggression'.

- Germany floods: Dozens killed after record rain in Germany and Belgium.
- Brazil's Bolsonaro in hospital amid concern over chronic hiccups.
- REvil: Ransomware gang websites disappear from internet.
- South Africa deploys military to tackle Zuma riots.



- Billionaire Mackenzie Scott (ex wife of Jeff Bezos) gives away £2bn more.

- Euro 2020: Italy fans ecstatic after England defeated in Wembley final.

- Wimbledon 2021: Novak Djokovic beats Matteo Berrettini for 20th Grand Slam title.
- Haiti President Jovenel Moïse killed in attack at home.

- Trump sues Twitter, Google and Facebook alleging 'censorship'. Trump Organization: Top executive charged with tax crimes.

- Canada weather: Dozens dead as heatwave shatters records.

- Donald Rumsfeld: Ex-US defence secretary dies aged 88.
- Israeli minister's landmark visit to UAE signals deepening ties.
- Ethiopia Tigray conflict: Fighters advance after wresting regional capital from government forces.
- Didi shares plunge amid China tech crackdown. The Chinese ride-hailing firm sued in the US.



Source: Various media publications

Key indicators

Trend reversals

- Gold, dips and comes back
- Oil, bond yields, inflation flatten
- Retail inflation, rising
- Loan growth rises
- RBI balance sheet falls
- Imports pick up
- Car production falls sharply
- Copper and zinc continue to fall, aluminium tapered off.

Sensex	Up
Gold	Flat
Rupee	Falling
Dollar Index	Rising
Oil (Brent)	Flat
India 10-year G-Sec Yield	Flat
Retail inflation (June, mom)	Flat
India Producer Price Index (May)	Rising
India WPI (June)	Falling
Loan growth (June 2021, mom)	Rising
RBI balance sheet (May, mom)	Falling
Current account deficit (Q1 2021)	Rising
IIP (May 2021, yoy)	Rising
Manuf. PMI (Jun 2021, mom)	Falling
Services PMI (Jun 2021, mom)	Falling
Forex reserves (2 Jul)	Steady
Gold reserves (Q1 2021)	Rising
Exports (Jun, mom)	Steady
Imports (Jun, mom)	Rising
Trade deficit (May, mom)	Narrowed
Car production (May, mom)	Falling
Car sales (May, mom)	Falling
Aluminium price (30-day)	Steady
Copper price (30-day)	Falling
Zinc price (30-day)	Falling

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