

GROUND VIEW



Road Less Travelled

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Interview with Dr Vikram Shah of Shalby Hospitals Ltd, multi-speciality hospital chain player

We talked about covid and its impact on hospital industry, and Shalby's outlook and way forward

by Surya Patra



We spoke to Dr. Vikram Shah (M.S Orthopedics) – Founder Chairman & MD, Shalby Hospitals Limited, to better understand the impact of covid on the Indian healthcare industry and Shalby's recent strategic foray into the devices business through the acquisition of **Consensus Orthopaedics of the US**. His views:

Shalby Hospitals, a world-renowned Joint Replacement Centre, has transformed over the years into a chain of multispecialty hospitals. Dr. Vikram Shah is known for popularising Total Knee Replacement (TKR) through his surgical process innovation "Zero Technique" which reduced the surgery time from hours to just 10 minutes, enabling patients to start walking within a few hours of surgery.

How do you see covid from the healthcare industry's perspective – a challenge or big opportunity?

Covid certainly came as an unknown challenge for everyone, so also for the hospital industry, with the lockdown and travel restrictions hampering the flow of patients to hospitals. April 2020 turned out to be the worst period. Lack of understanding about the virus and its transmission among people made patients defer their consultations (especially non-critical) and treatment, adding to the woes of hospitals in the early first wave (specifically, in Q1FY21). Subsequently, rising covid cases, improving surgeries with relaxations in lockdowns, etc., resulted in a sharp recovery in business and financials in Q2, and steady progress from there.

The transmission of the virus in the second wave was wild and more infectious due to its continued mutation. This has multiplied the covid cases vs. the first wave, and flooded hospitals with more covid patients or patients with post-covid complications, thus constraining the hospital's infrastructure in handling specialty-care treatments and surgeries (such as cardiac, oncology, replacement, etc.), and adversely impacting the hospitals' quality of earnings in recent times. **Specialty-care hospitals saw lower AROPB (average revenue per occupied bed) compared to the pre-covid period, despite their occupancy reaching 100%.**

Given the rapidly mutating nature of the covid virus, what do you believe is its end-game?

All viruses generally have a life cycle of 7 days, which can be dealt with a healthy diet, exercise, and the intake of right vitamins. They cause mortality in people with less VMN (vitamins mineral nutrients). Covid is one kind of flu virus with greater resemblance to the virus from bats. It makes patients' auto-immune system react in a wrong way, which produces inflammation in the lungs, leading to oxygen shortage. This phenomenon is known as a cytokine storm, and is much stronger in people with weak immune systems, which leads to higher mortality. Importantly, the treatment is for the complications caused by covid virus and not the virus itself, as the amount of viral load has nothing to do with the lung problem; there are cases where patients have tested negative, but suffered from lung problems.

Covid is an RNA flu virus, and mutates at a lower rate than the common flu-influenza viruses found in the US. Hence, it may remain sticky in the near term. However, **with the advent of newer treatment options and mass vaccination campaigns, covid may go away in 2-3 years, although post-covid complications could be beyond expectations and continue to last up to 4-5 years.** The government's prediction suggests that India could face a third wave in September-October 2021, stronger than the second wave. However, the understanding of the Spanish flu 100 years ago, suggests weaker third waves compared to second, and moreover, the available treatment, awareness, and mass vaccinations will moderate the intensity.

Can you throw some light on current treatment options available and also on vaccines for covid?

From the currently available covid treatment options, remdesivir and HCQS are proven not to be effective. Steroids and immune-modulator such as Tocilizumab/Itolizumab have some effect, but both have different mechanism of actions. They aid in suppressing immunity and in turn lower inflammation in lungs. More than these drugs, the scientific and timely dosage regimen (the correct number of doses administered for the right number of days) is the key. Newer treatment options (approved by DCGI under emergency usage approval) need a large pool of patients and extensive clinical data support and strong guidance for a dosage regimen (number of doses to be administered for number of days) before large-scale use for treating covid.

However, **vaccine is an effective tool to tackle any pandemic, and I expect the vaccination program to last for at least 2-3 years until the virus becomes weak and eventually phases out.** Hence, pharma players with a large and extensive covid portfolio, ranging from treatment options to vaccines, will mostly gain in the near-term, from covid-led opportunities.

Coming to Shalby, how has covid impacted you, and what is your long-term outlook for Shalby's key strength area of arthroplasty?

Like the industry, Q1FY21 was the worst quarter for Shalby in terms of business volume, but our cost-effective model proved an earnings saviour compared to leading industry peers. Q2 onwards, Shalby has shown agility and exemplary resilience by delivering a sharp rebound in both business and key financial performance (average margin moving above 23%). However, Shalby is yet to see the benefit of normalcy in its key specialty (the arthroplasty business); this segment offers better quality earnings over covid treatment.

As far as arthroplasty is concerned, annually 1.6mn replacement surgeries take place (800K hip replacement and 800K knee replacement) in the US currently, whereas in India we currently see 200K such surgeries. This large gap is largely down to lower procedure penetration in India. As demographics change over the next 5-10 years, and with higher affordability in societies / consumers, we expect this market to grow 10x, and hence Shalby will also grow 10x in the next 5-10 years, based on the following: (1) its leadership position in replacement surgery market, and (2) faster expansion in tier 2 cities by leveraging its franchise model extensively.

How can the franchise model drive value growth for Shalby and yet maintain leadership in arthroplasty?

Shalby's undisputed leadership in arthroplasty and focus on cost optimization earned it healthy return ratios (>25%) till FY15, but investment in six new hospitals over the last six years moderated ROCE to sub-10%. Hence, as a correcting strategy, we decided to move to a franchise model in our future endeavours and expansions. Under the franchise model, we expect to build 50-100 units in five years under the Shalby brand (already in talks for setting up three units). **Shalby will offer adequate training, supervision, and a branded operating model to new units (generally with 50 beds) for a revenue share, while the franchisee will be responsible for all opex and capex. This will ensure deep penetration of arthroplasty in India, strengthen Shalby's leadership, and improve its overall operating/financial efficiency. Additionally, Shalby's recent foray into the devices business will further strengthen its position.**

What was the strategic rationale behind Consensus Orthopaedics' acquisition and plans for the acquired assets?

Shalby acquired select implant assets from US-based Consensus Orthopaedics for US\$ 11.45mn. Consensus designs and manufactures orthopaedic implants and instruments and has completed over 160,000 joint replacement procedures with zero recalls in the US. This

acquisition brings in: (1) USFDA approved devices (knee systems, mobile bearing knee systems, hip systems, and the revision knee systems, etc), (2) plant and equipment, (3) relevant patents, and (4) more importantly, an experienced team of experts. This marks the strategic foray of Shalby into the high-value and limited-competition global business of knee/hip replacement devices.

It is a win-win situation for us, and we expect strong synergies as: (1) it will strengthen our supply chain, as we are the largest consumers of implants in India, (2) our world-class training centre can train surgeons globally, resulting in greater adoption of consensus products, and (3) greater engagement with distributors and doctors to ensure streamlined supply of Consensus' products in the US and then, subsequently all across the world.

We also plan to take Consensus' products to other developed markets such as Japan, Australia, and Europe, where average realization of the implant process is more than US (whereas US is 5x India) with good acceptance due to superior quality (FDA approved products). Also, in these key markets, there are no pricing regulations unlike India, where there are price caps, resulting in a volume driven market. Therefore, we see good headroom to grow in terms of value in these developed markets. By FY23, we expect Consensus to be EBITDA positive, as we ramp-up its capacity utilisation (was at 15% capacity in FY20) to meet demand in the post covid world.

How will the new appointments to the management team help shape Shalby going ahead?

We have appointed Mr. Daniel Hayes, a former CEO and founder of Consensus, as the CEO of Shalby Advanced Technologies. He has previously successfully led the acquisition and turnaround of three failed orthopaedic implant companies, achieving stability, growth, and profitability, in record time. He will start to implement his 100-day plan centred on re-engaging with existing customers, developing a new sales pipeline, and selectively investing in innovative technologies and patented products. He is the recipient of several honours/awards and has more than 50 patents issued in his name globally. We believe that he will be instrumental in driving the strategy and financial performance of Shalby Advanced Technologies over the coming years.

We have also appointed Mr. Sushobhan Dasgupta as Vice Chairman and Global President of Shalby Limited. Previously Mr. Dasgupta was Vice President-Orthopedics, DePuy Synthes at Johnson & Johnson Medical Asia Pacific. He comes with a rich 30+ years of experience in healthcare, and was responsible for the successful turnaround of J&J medical devices business in India from 2012. Mr. Dasgupta will also be working closely with Mr. Hayes, to expand Shalby's implant business, both in India and internationally in developed markets. We expect these leadership appointments to leverage Shalby's brand and existing platform to diversify its business and revenue mix ahead, and expand its footprint significantly in the global markets.

President - The All India Consumer Products Distributors Federation – Key takeaways

by Vishal Gutka

- **Demand environment:** Given current market environment, demand in Q1FY22 is weak, because consumers are confident about the availability of essential goods and services this time around (Q1 FY21 saw 120% growth in FMCG on fears of unavailability, leading to people stocking up their pantries).
- **1QFY21 vs. 1QFY22:** In comparison to the previous quarter, sales would be lower in all categories. Due to the severity of the second wave, there are job losses, layoffs, and people on the verge of bankruptcy; traders are unable to supply goods and services. As a result, demand is likely to be low.
- **Hygiene segment:** There was a surge in demand for hygiene-segment products such as hand-washes and sanitizers when covid emerged. Large companies have adapted and now sell hand sanitizers under their own labels, but they have been losing out to local and regional competitors in sanitizers in the second wave. Nevertheless, soaps, surface disinfectants, hand-wash, and other products have gained substantial momentum in demand.
- **E-commerce:** Due to covid, the e-commerce channel, which previously contributed 1.5% of total FMCG sales, has now increased to 4%.
- **Inventory:** Currently, distributors have 20-25 days of inventory and 15-20 days of credit, resulting in 45-60 days of pipeline stock with distributors.
- **Price hikes:** Most of the companies have taken price hikes of 4-6%
- **Others:** Companies such as HUL and Nestle are giving lines of credit to distributors due to the pandemic.



RETROSPECTIVE PERSPECTIVE

– by Roshan Sony

Snippets

Key trends of the last few weeks....

India

- Covid-19 cases in India begin to recede. Daily new cases drop below the first-wave peak of 100,000 in September 2020 while the positivity rate falls to lower levels vs. the previous peak. India's fully vaccinated population stays at low levels of c.4%.
- Indian manufacturers brace for a shortage of blue-collar workers, as the second wave spreads deep into rural India.
- Sensex, Nifty jump to lifetime highs. The word 'cautiously optimistic' returns to market parlance. Retail investors drive 45-50% of trading volumes.
- Several states begin to relax curbs from June 1. Markets, malls, restaurants, small businesses reopen in many states. Unemployment dips to a six-week low of 8.7% as of 13 June.
- Air passenger traffic rises.
- GST collections stay above Rs 1tn for 8 successive months.
- ET study of 134 NSE 500 companies shows that India Inc is using improved cash flows to cut debt.
- White goods makers eye price hikes on surging input costs.
- India, the world's top importer of vegetable oil, will have to pay more as global prices increase.
- In their quarterly updates, IT companies indicate good tech spending environments.
- Residential real estate sees healthy growth, office lacklustre.

International

- BofA survey shows global fund managers are bullishly positioned for permanent growth, transitory inflation, and a peaceful Fed taper (majority say in Aug-Sept) and are long on commodities, cyclicals and financials. Meanwhile, US Fed holds rates at zero, projects two hikes by the end of 2023.
- US core inflation shoots to highest level since 1992, job openings surge to a record high.
- G-7 nations pledge 1B vaccine doses for the world.
- US, UK achieve c.50% full vaccinations. However, cases in the UK begin to rise.
- People start going back to work/are called back across western countries, but many remote workers reluctant to return.
- Inflation concerns remain high globally with high commodity prices, limited inventories, and resurgence in demand.

UK fund manager James Anderson, writes in his departing letter to shareholders that the world of conventional asset management has 'irretrievably broken', as has the age-old strategy of 'value investing'. "Woe betide those who think that a near-term price-to-earnings ratio defines value in an era of deep change"

Covid new cases by country

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

Market buzz

- **India:** Possible earnings downgrades in Q2, inflation worries, deep-recovery plays, IT stocks boom, capex recovery, balanced MFs cutting equity exposure, FII's making a comeback, firm cement prices, RBI to keep stance accommodative despite inflationary pressure in the face of GDP rate downgrades.
- **Global:** Strong gold, oil to stay above US\$ 70, underlying demand for autos and other white goods to strengthen

The biggest toll of the second COVID-19 wave is in terms of a "demand shock". Economy not as hard hit as first wave: RBI

Gold rush: Return to the gold standard?

For a while now, the world has been talking about a shift away from the dollar. Is it possible that the gold standard will come back in some form then? Why have governments across the world, especially China, been buying up gold, both officially and unofficially?



It is believed that government and private gold holdings in China could be much higher than the official figures. China tends to be secretive about its channels, besides, it does not officially report its gold holdings (does so at rare intervals).

Besides China, Russia's gold reserves have zoomed over the past several years. But unlike China, Russia's plans to accumulate gold are not secret. Putin advisor Sergey Glazyev has even said to the media that the rouble is "the most gold-backed currency in the world." Recently, the Russian National Wealth Fund said it does not want to keep any money in dollar assets. The fund currently holds 35% in dollars but aims to convert that into euros, yuan and gold within a month.

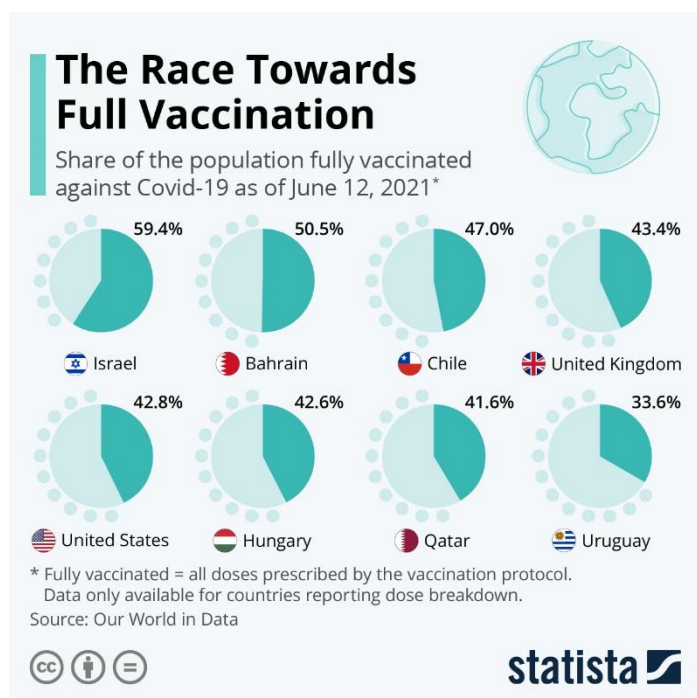
In recent years, Iran is said to have imported and accumulated significant amounts of gold but it does not disclose exactly how much.

Vaccine bytes

HOW MUCH DOES THE GOVT NEED TO RAMP UP VACCINATIONS TO VACCINATE EVERYONE BY THE END OF THIS YEAR? ANSWER – 6x.

India's covid-19 vaccination drive slowed down 34% in May compared to April amid supply snags. To be able to achieve its ambitious target, the inoculation process needs to be upped six times, data analysed by Mint newspaper's Nikhil Rampal shows. Even to achieve 70% vaccination

coverage by 2022-end, India will need to accelerate the drive by 1.5 times from the levels achieved in May. Serum Institute of India currently produces 65mn vaccines a month, which it will ramp up to 110 ahead.



FINALLY FREE! BUT TOO LATE? The central government says it will provide free covid-19 vaccines to all adults from 21 June. The central government's confusing haphazard policy with vaccines allocated to private hospitals for commercial sales has come under heavy criticism, even from the Supreme Court.

RURAL INDIA IS SEVERELY AFFECTED BY COVID, AND QUITE VACCINE-LESS: The second wave has ravaged rural India far more than the first wave. But help, at least in terms of vaccines, isn't around the corner. Only 12-15% of rural inhabitants are believed to have received at least one dose of the COVID-19 vaccine by May 14. In contrast, 30% of residents in urban and 19% in semi-urban areas got their first shot.

Short takes

REMITTANCES SURPRISINGLY STRONG IN PANDEMIC YEAR 1: India received US\$ 83bn in remittances in 2020 (c.3% of GDP), almost flat vs. the previous year, according to new World Bank data, which expects global remittances to total US\$ 702bn in 2020, down just 2% yoy.

HEALTH EXPENSES TO HIT OTHER SPENDING IN INDIA: SBI's chief economist says annual health expenditure will increase by Rs 700bn,

which will result in a significant cut back in other expenses; health expenditure which accounted for 5% of India's private final consumption expenditure last year will rise to a significant 11%.

New kid on the crypto block - DeFi: Stands for decentralized finance. It is a marquee term for the financial services that public blockchains offer - extremely risky, but people are flocking to it.

Long working hours are a killer, WHO study shows "Drawing on data from 194 countries - working 55 hours or more a week is associated with a 35% higher risk of stroke and a 17% higher risk of dying from ischemic heart disease compared with a 35-40 hour working week."

STOCK SECTOR WATCH

- **Beginning to taper off:** Industrials, healthcare, basic materials, capital goods, metals.
- **Fresh burst of energy:** FMCG, IT, oil & gas, tech

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

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

May (15-31)

INDIA

- India's m-cap tops US\$ 3tn.
- Cryptocurrencies tumble.
- Wipro overtakes Cognizant in market cap; becomes fourth-most valuable IT services firm globally after Accenture, TCS, Infosys.
- Brokers urge regulators to review proposed 100% levy on day-trade peak margins.
- Moody's says resurgence of COVID-19 infections to put brakes on companies' earnings recovery.
- Cyclone Yaas passes through Bangladesh, India, and Nepal. Fatalities at 20, damage estimated to be US\$ 3bn
- The Indian government's guarantee cover under the Emergency Credit Line Guarantee Scheme extended to airlines and hospitals (Rs 3tn). Loans were previously intended for specific sectors such as small borrowers.
- Panacea Biotec starts domestic production of Sputnik V vaccine.
- Government to borrow Rs 1.58tn more to fund shortfall in levy collections.
- RBI to transfer Rs 99,122 crore as surplus to government.
- Non-bank lenders see 50% rise in customers missing payments in the first fortnight of May.
- Ban on international flights extended till June 30: DGCA
- India's largest market debut: Paytm targets \$3bn IPO.

Study finds 96% Covid-19 patients have antibodies year after recovery.

- Policy reversal: Employers can now vaccinate family members of staff.
- SBI posts record profit, announces dividend.
- Deloitte report shows 82% of women surveyed in India said their workload has increased since the Covid crisis broke; 78% say their household tasks have increased.
- Serum Institute of India has sought approval for test production of Sputnik V.

INTERNATIONAL

- Bitcoin falls to a three-month low.
- USD at near a six-year low against CAD.
- US' Biden waives sanctions on Russian



pipeline, also on a Putin ally who leads the firm behind the Nord Stream 2 project.

- After 11 days of conflict, ceasefire between Israel and Palestinian militant group Hamas.
- Thousands attend largest pro-Palestine march in British history.
- Japan economy contracts for first time in 3 quarters.
- China industrial output rises 9.8% yoy in April, retail sales up 17.7% yoy.
- China bans financial, payment institutions from cryptocurrency business.
- Moderna Inc. says its covid-19 vaccine is effective in children aged 12-17.
- Israeli opposition parties reach agreement to oust Prime Minister Benjamin Netanyahu, after serving more than 12 years in office.
- Hong Kong police officially ban Tiananmen Massacre park vigil for second successive year. Up to 5 years prison for attending vigil.
- Tesla fined US\$ 16K per owner for throttling battery capacity, charging speed in Norway.
- Thousands of Brazilians march to demand Bolsonaro's impeachment.
- At Miss Universe pageant, Myanmar's contestant urges the world to speak out against the military junta.
- Filipino scientist takes first journey to third deepest ocean trench on Earth, finds plastic.
- Shell ordered to reduce emissions by 45% by 2030 in landmark ruling.
- The Suez Canal will be widened by 131 feet to avoid a repeat of the Ever Given chaos.
- Wuhan Lab Staff Sought Hospital Care Before COVID-19 Outbreak Disclosed.
- Twenty firms produce 55% of world's plastic waste, report reveals. ExxonMobil, Dow, Sinopec, Indorama, and Saudi Aramco lead. In the per-person waste-generated parameter, Australia, US, S.Korea, UK, Japan lead.
- Iraq estimates that US\$ 150bn of its oil money has been 'stolen' from the country since the US-led invasion of 2003.
- EU imposes new economic sanctions on Belarus after a Ryanair flight was forced to land in Minsk, opposition blogger Roman Protasevich detained.
- Japan hits second peak of covid-19 cases. Osaka city crumples under onslaught.
- Iran is enriching uranium at levels 'only countries making bombs are reaching,' UN's nuclear watchdog warns.
- China allows couples to have three children.



June (1-15)

INDIA

- Petrol, diesel sales drop 17% in May on Covid-19 lockdowns.
- The target date for achieving 20% ethanol-blend with petrol advanced to 2023 from 2025 earlier. Sugar stocks rally.
- Court allows a consortium of 11 banks, led by SBI, to sell c.Rs 56bn of Vijay Mallya's properties and assets to recover dues.
- GIC leads Rs 12bn fund raising in Star Health ahead of IPO.
- Two national school boards call off class 12 evaluations.
- Piramal Capital gets NCLT nod to buy DHFL.
- Nykaa eyes IPO; US\$ 4.5bn valuation.
- Sebi bans 2 Infosys staff for insider trading.
- Govt announces second PLI plan for pharma worth Rs 150bn.
- Asian Hotels temporarily shuts down Hyatt Regency, Mumbai.
- White goods makers eye price hikes on surging input costs.
- CBI and MEA file separate impleadment applications in the Dominican court to secure Mehul Choksi's extradition to India.
- Twitter blocks Canadian-Punjabi singer Jazzy B's account in India; he frequently tweeted in support of farmers protesting the government's agriculture laws.
- Top Indian virologist quits government panel weeks after questioning the authorities' handling of the pandemic.
- Enforcement Directorate issues a notice to cryptocurrency exchange WazirX for violating Foreign Exchange Management Act involving transactions worth Rs 28bn.
- Gujarat 2022 Assembly polls: AAP will contest all seats, says Arvind Kejriwal.
- Shares of Adani group companies crash on reports that National Securities Depository Limited has frozen the accounts of key foreign portfolio investors into the group. Adani says no NSDL freeze on a/cs.
- SIP assets of funds reached a record Rs 4.7tn at the end of May 2021.
- Sebi fines Templeton top brass. Bars Templeton from floating debt funds.
- Retail inflation hits 6-month high.
- ARCIL, the country's oldest bad loan aggregator, slides into a loss for the first time in its history.



- Cheque bounce rates tracked by the NPCI e-NACH platform rose by more than 250 basis points in value in May over April.
- IBC resolution rate slow at 24%.
- CBI has filed an FIR against Gautam Thapar (60), promoter of the Avantha Group, in Yes Bank fraud.
- Dabur starts contempt proceedings against Marico for not changing honey packaging.
- NCLT has approves Anil Agarwal's Rs 30bn offer for debt-ridden Videocon Group.
- World Bank cuts India GDP estimate to 8.3% from its previous projection of 10.1%.
- Life insurers start making vaccination compulsory for policies.
- TaMo raises US\$ 425mn in overseas bonds.
- JP Associates weighs debt recast.
- Reliance Industries says it prepaid US\$ 7.8bn of long-term foreign currency debt in FY21, to become a "net debt zero" company.
- RBI tells banks to stop citing April 2018 circular to deny services to those dealing in crypto as it was set aside by the SC.
- Govt FY21 deficit at 9.2%.
- Domestic gold prices cross the Rs 49,000 per 10 gm mark.
- Petrol prices in Mumbai at c.Rs 100, others.
- PV sales dip 66% in May as Covid disruptions take toll: Siam
- Power consumption grows 12.6% in first week of June.



INTERNATIONAL

- Ongoing shortage of microchips results in automobiles being taken out of production across North America.
- South Korea's inflation hits 9-year high as commodity prices jump.
- US manufacturing activity grows for the 12th straight month.
- Jeff Bezos plans space travel in July as passenger on Blue Origin, Amazon.com Inc. founder's space-travel company.
- Google agrees to pay France US\$ 268mn penalty to settle a dispute.
- Finance ministers of G-7 countries agree to 15% global minimum tax rate; to put in place measures that ensure businesses pay taxes in the countries where they operate.

- Amazon buys MGM Studios for US\$ 8.5bn; its largest acquisition after its US\$ 14bn purchase of Whole Foods in 2017.
- American Prez Joe Biden says will donate 75% of unused COVID vaccines to UN-backed global vaccine program. To buy 500mn Pfizer doses to donate to the world.
- Allies believe the U.S. is "No longer a good model of democracy," poll shows.
- Cargo ship carrying 25 tons of acid sinks in Sri Lankan waters; marks one of worst environmental disasters in decades.



G7 group of advanced economies reaches a "historic" deal to make multinational companies pay more tax.

- Microsoft Irish subsidiary paid zero corporate tax on £220bn profit last year.
- Saudi Arabia introduces a landmark legal amendment to allow single, divorced, or widowed women to live alone without permission from a male guardian.
- New audio of 2019 phone call reveals how Giuliani pressured Ukraine to investigate Biden conspiracies.
- China blasts the US and EU consulates in HK for displaying candles to commemorate the June 4 Tiananmen crackdown.
- Russian President Putin says relations with US at lowest point in years; praises Trump as "an extraordinary individual, talented individual".
- Tesla's China sales halve in May.
- Russia officially declares Alexey Navalny's movement, the biggest opposition force, an "extremist" group.
- China is vaccinating a staggering 20mn people a day.
- Chinese military activity in Taiwan's air zone drops sharply after US and Japanese leaders call for peace and stability.
- Coronavirus mutates 32 times inside South African HIV-positive woman over course of seven months.
- Novavax Covid vaccine, also made by SII, found 90% effective against covid variants.
- UK and Australia agree broad terms of trade deal.
- Lockdown easing in UK delayed to 19 July.
- Nato warns of China's military challenge.
- Investigation by ProPublica based on IRS documents has found that America's wealthiest individuals paid next to nothing in federal income taxes during a 5-year period.

- Despite opposition and warnings, Tokyo 2020 Olympics will go ahead as planned.
- Israel once again launches airstrikes into the Gaza Strip.
- El Salvador makes bitcoin a legal currency.
- Operation Trojan Horse: FBI app lures many global criminals into police hands. 800 arrested worldwide in huge crime sting by Europol.

Source: Various media publications

Key indicators

Trend reversals

- Sensex, rising
- Gold, flat
- Rupee, weak
- Bond yields, rising
- Retail inflation, rising
- Loan growth, flat
- RBI balance sheet, rising
- Manufacturing and services PMI, both falling
- Exports, up
- Trade deficit, narrowed
- Car production, fell slightly
- Copper prices falling, zinc flat

Sensex	Up
Gold	Flat
Rupee	Falling
Dollar Index	Rising
Oil (Brent)	Rising
10-year G-Sec Yield	Rising
Retail inflation (May 2021, mom)	Rising
India Producer Price Index (Apr)	Rising
India WPI (May)	Rising
Prime lending rate (June 2021)	Steady
Loan growth (May 2021, mom)	Flat
RBI balance sheet (India, mom)	Rising
Current account deficit (Q4 2020)	Rising
IIP (Apr 2021, yoy)	Rising
Manuf. PMI (May 2021, mom)	Falling
Services PMI (May 2021, mom)	Steady
Forex reserves (4 Jun)	Rising
Gold reserves (Q1 2021)	Rising
Exports (May, mom)	Rising
Imports (May, mom)	Falling
Trade deficit (May, mom)	Narrowed
Car production (Apr, mom)	Falling
Car sales (Apr, mom)	Falling
Aluminium price (30-day)	Rising
Copper price (30-day)	Falling
Zinc price (30-day)	Flat

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