FIN-S, THE FINANCE CLUB
DEEN DAYAL UPADHYAYA COLLEGE

FINZINE

VOL. 4

APR 2022

What's Inside?

War Ripple Effect?
Mega Mergers
Q-Commerce & More

The Finance Club of DDUC was established in 2012 with the objective of inculcating Financial Acumen amongst its members and the students of the college, One of the most popular societies in the University of Delhi, it provides a stimulus to knowledge sharing and learning by organising interactive discussions, seminars, competitions and other activities in the area of Finance. We at Fin-S believe that Finance is all about evolution and exchange not just of money but more importantly of ideas and strategies. Our endeavour is to equip students with the financial acumen required to succeed in business by providing them with insights on various aspects of Banking, Insurance, Credit Rating, Financial Services, Portfolio Management and Derivatives.

Fin-S also aims to improve students' understanding of financial aspects of management; to help develop practical knowledge and apply it to the markets and to create superior access to career opportunities available in the financial marketplace. Problems can become opportunities when the right people come together. Hence, the current team of FIn-S is on the path of scaling great heights and imparting financial literacy and bringing many laurels for DDUC for years to come.

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From the Principal's Desk

I take immense pleasure and pride in introducing you to one of the most dedicated and premiere societies of our college. In this era of cut-throat competition, it is of paramount importance to impart integrated education to future generations.

Dr. Hemchand Jain
Acting Principal
Deen Dayal Upadhyaya College

Over the past years, this society has been empowering minds through a perfect blend of classroom knowledge and the practical approach to utilise it. This society has been fruitful in empowering the students with all the knowledge and guidance that they need to become worthy finance pro-fessionals, grooming them to become truly and globally well equipped to deal with the modern world and its challenges, being conscious of their societal responsibilities.
The society has dedicated and hardworking office bearers who have effectively conducted events, competitions, and seminars to enrich the students with financial wisdom and have successfully established their name in the Delhi University circuit.

We are happy to bring out the fourth edition of the Finzine, which encompasses all the activities that help in the holistic development of students retaining their beauty and, intellect. The magazine covers the following topics:

From the Convener

Learning gives creativity,creativity leads to thinking, thinking leads to knowledge, and knowledge make you competent. It is a matter of delight to be a part of the Finance society of Deen Dayal Upadhyaya College that contains myriads of wonders.

Through Finzine, we instigate the ever-evolving process of learning. This conversant magazine will facilitate students with intellectual growth and at the same time expose them to the declined world of Finance and Economics. With zeal, the probing minds have left no stone unturned in moulding mindsets and taking unswerving cognizance of their responsibilities. We aim to em-power students to nurture & broaden the horizons of their knowledge, to inspire the young mindsets and bolster their understanding.

Mr. Anil Kumar

Convener

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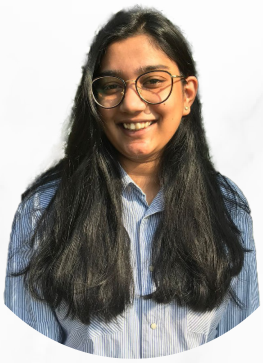
Anannay Aggarwal
President

Bhavika Gupta
Vice President



Vartika Garg
Vice President

Aashima Verma
Joint Secretary

The *MEGA* Merger of Equals

From 'United we stand, divided we fall' to 'Alone we can do so little, together we can do so much' there have been multiple quotes on unity that emphasize the power of collaborations. These quotes have apparently been so influential that Mergers and Acquisitions in the world of business and finance have now been cited as the primary global growth strategy for large cap companies by Goldman Sachs. They have emerged as a natural process of business restructuring throughout the world. As a developing nation, India has been seen as an upcoming strong economy that secured a golden position in withholding the changes. From days of 'survival of fittest in a niche' to days of 'create a niche and be fit', Indians have responded to the changes by upgrading their corporate structure and finance model to how the trend has been.

Having said that, 2022 witnessed the biggest merger in Indian corporate history when the boards of Housing Development Finance Corporation Limited (HDFC) and its banking entity: HDFC Bank, announced a $40 billion consolidation of the parent housing finance company with its banking arm.

MERGED ENTITY: THIRD LARGEST COMPANY IN INDIA

In terms of market capitalization, the merger of HDFC and HDFC Bank is likely to create the third largest entity in India. HDFC announced that the company will merge itself with HDFC Bank following a union of subsidiaries HDFC Holdings and HDFC Investments in an exchange filing. Meaningful value would be created by the proposed transaction for various stakeholders including shareholders, customers, employees etc. The combined business would benefit from increased scale, comprehensive product offering, balance sheet resilience and ability to drive synergies across revenue opportunities. Analysts suggested that the merger will create the biggest stock in terms of weight in the Nifty50 index, easily surpassing Reliance Industries' current weight of 11.9 percent. As of March 31, HDFC Bank's weight on the index was 8.4 percent while that of HDFC was 5.66 percent. The merger benefits parent HDFC given the rise in costs of funds for non-banking entities in India as compared to lenders. With interest rates expected to rise going ahead, the merger reduces the cost of funding for HDFC.

HDFC

x

HDFC BANK

MERGER DEMYSTIFIED

The HDFC-HDFC Bank merger has created history. Yet, it raised a lot of eyebrows as people could not understand why both the entities chose to do it now and what the reason for the consolidation really was. After analysis and research, the following have been concluded to be the prime reasons of the magnificent merger-

- ***Regulatory approach:***

Reserve Bank of India (RBI) is ever famous for its stringent regulations and guidelines on Non-Banking Financial Companies (NBFCs). Since these entities have been pigeonholed together into different categories and groups based on size, interconnectedness etc., the capital norms have been much more tightening. These layers bracket NBFCs in consideration with their system interconnectedness and asset sizes. The topmost layer constitutes the larger ones where rigid regulations shall apply to the middle layer as well. The upper layer is reserved for companies that are discerned to carry elevated risks akin to the banks under the Prompt Corrective Action (PCA) framework.

- ***Jagdishan Factor:***

As per anonymous sources, compared to the previous boss of the bank Aditya Puri, his successor, Sashidar Jagdishan was easier going and supportive to the idea of merger. Puri exited the bank in October 2020 whereas Jagdishan took charge as the new Chief. The change in the leadership made it easier for the HDFC to go ahead with the merger. The succession acted as a green signal for HDFC.

- ***Access to cheaper deposits***

An NBFC typically raises funds at a higher rate compared to the money market and investors. On the other hand, a bank has easier access to public deposits that come at a much cheaper rate through current and savings accounts. This plays a role in benefitting the merger. The amalgamated entity will emerge as a powerhouse in the Indian Banking industry with the parent finally merging with the bank.

- ***Bigger Money Muscle***

The resultant entity shall enable HDFC to turn even more belligerent in the market. It will be the second largest lender of the country after State Bank of India (SBI) across all parameters. The combined entity shall have a voluminous market capitalisation of Rs 12.8 lakh crore and a balance sheet of Rs. 17.87 lakh crore. HDFC Bank shall be able to undertake larger underwriting at scale.

HOW DOES IT IMPACT THE STAKEHOLDERS?

WHAT'S IN IT FOR SHAREHOLDERS?

The merger shall be beneficial for the shareholders of both the entities. HDFC Ltd and HDFC Bank will operate as separate entities until the merger takes effect. After the merger, HDFC Bank will be 100 per cent owned by public shareholders, and existing shareholders of HDFC Ltd will own 41 per cent of HDFC Bank. Shareholders of HDFC Ltd will receive 42 shares of HDFC Bank (face value of Re 1 each) for 25 shares of HDFC Ltd of Rs 2 each – a ratio of 1:1.68. Lower cost of funds will be made available for the mortgage business. The bank will have access to the time-tested mortgage origination and loan servicing processes of HDFC.

Looking from the shareholder's perspective, it is a positive measure since the shareholders of HDFC Ltd, who were having a holding company discount issue will benefit because the holding company discount will disappear. And for shareholders of HDFC Bank too, the synergy of the combined entity will benefit them. So, it's a win-win situation for all.

WHAT'S IN IT FOR NEW AND EXISTING BORROWERS?

The home loan rates offered by HDFC Ltd are among the lowest in the country, starting at 6.7 per cent. The home loan rates are expected to be competitive even after the amalgamation. A switch to external benchmarking by the mortgage lender may not drive down the rates by more than by a few basis points. The maximum rates may come down a little around those being charged by public sector banks (PSBs). So, in terms of interest rates, there may not be an enormous difference between new or existing customers.

WHAT'S IN IT FOR DEPOSIT HOLDERS?

The deposit is essentially a contract between the depositor and the institution taking the deposit. The deposit rates and the other terms and conditions around the term deposit will continue to hold until the maturity of the deposit. The interest rate per annum will remain the same until maturity even if the amalgamation happens during the term of the deposit. However, after amalgamation, the deposit rates of HDFC Bank will apply while renewing on maturity or investing a fresh amount in a term deposit.

WHAT'S IN IT FOR MUTUAL FUNDS?

There are 16 equity schemes with more than 10 percent combined allocation to the HDFC twins. Active fund managers will act only when there is adequate clarity on the future of the merged entity, changes in the benchmark indices and relative attractiveness of investment opportunities in the market. However, passive funds can keep mimicking the underlying index and adjust their allocations as and when the new entity is included in the index.

The merger is expected to be completed by the second or third quarter of financial year 2024 as guided by the parent. The scheme of amalgamation will need approvals from SEBI, RBI, Insurance Regulatory and Development Authority (IRDAI) and Competition Commission of India (CCI). It will also require approvals from National Company Law Tribunals and finally will be filed with ROC.

The transaction is all set to create one of India's largest financial services companies. It follows a proposal offered by the banking regulator to convert the large non-banking finance companies (NBFCs) to banks in order to avoid duplication of the nation's massive shadow lending crisis in 2018. The two major factors that have massively helped boost consumer demand and improve lenders' retail portfolios are India's strong and courageous emergence from the deadly Covid-19 pandemic and an apparent improvement in the labour market.

SEASON OF MERGERS !

What a season of mergers it has been! PVR-INOX, Axis-Citi and now HDFC-HDFC Bank. People are coming out of a two-year slumber of Covid and India Inc is getting ready to take advantage of the growth which is ahead of them. It actually makes sense that people now consolidate and have a larger entity to then go out and take market share as the recovery in the economy plays out. It tells us that after two years of a very tough period, India Inc is now ready to go out and grow and not just grow organically but also to grow through acquisitions or mergers and creating scale.

Ridhima Samtani
B.Com(H)'24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SCAN ME

Gen-Z of E-Commerce

Quick Commerce is booming, it can be described as a trend influenced by COVID-19 lockdowns and the reduced accessibility to everyday items and household goods.

But what is it, which companies are following it, what does its rise mean for consumers, cities, brands and traditional operators?

WHAT IS Q-COMMERCE ? WHY DO WE NEED IT ?

Alongside the democratisation of the internet and introduction of online shopping, customers could order a product digitally and receive it in the next 3-5 days - a bracket of time considered to be acceptably quick. In the past two years, COVID has augmented the digital adoption drive by consumers in the retail industry. With the shift in consumer behaviour, the business of delivering essential commodities in the timespan of 10-30 minutes, popularly known as Q-Commerce is rapidly penetrating the growing e-commerce market of India. Thus, Q-commerce is e-commerce in a new, faster form. It combines the merits of traditional e-commerce with innovations in last-mile delivery.

FUN FACT

- 43% of online shoppers have made a purchase while in bed, 23% at work and 20% while in the bathroom!
- Men reported spending 28% online more than women during the past year.

HOW CAN BRANDS ACHIEVE 10 MIN DELIVERY ?

For solving the problem of prolonged deliveries, many business models use 'dark stores' - strategically located warehouses - to ensure a quick turnaround from order to doorstep. These can be anywhere between 3229 and 7500 sq ft in size and they will typically keep a focused set of 1,500-2,000 stock keeping units (SKUs), compared with over 1 lakh SKUs of a large-format online grocer. Over 1,000 dark stores have mushroomed across the country in the last six months alone.

EXPECTED GROWTH

According to internet consultancy firm RedSeer, the Q-commerce segment is expected to grow to $5 billion in gross merchandise value by 2025, 10 times the $300 million clocked in 2021. The study also found that in India currently 20 million households can be addressed by the Quick Commerce delivery model which is around 7 percent of the overall market and expected to grow at the rate of 12-13 percent by 2025. Around 50 percent of this growth will come from the high-income households of metro and Tier-I cities. Other factors contributing to this growth are the opportunities of saving consumer's time, increasing demand for healthy and easy-to-cook products.

i.e. Q-Commerce

DIFFERENT FOOD DELIVERY PARTNERS ENGAGING IN Q-COMMERCE

Now we'll see the plan of various brands entering into the Q-commerce segment. The newest entrant in this domain is five-month-old Zepto which has got the industry bigwigs talking after raising two rounds of $160 million investment and increasing its market valuation to $570 million within two months. It has received investment from investors such as Nexus Venture Partners and Y Combinator. It is already providing this service in metro cities and has plans to expand its operations in other cities such as Hyderabad, Kolkata, and Pune.

Now coming to the biggest food delivery company in India, Zomato plans to open over 40 finishing stations with 20-30 bestseller items from various restaurants based on demand predictability and hyperlocal preferences in Delhi-NCR in the next 90 days, and then expand to Bengaluru and Mumbai. With this format, it will bring down prices for customers by 50% while maintaining margins and incomes for restaurant and delivery partners.

By the end of 2021, Swiggy announced to invest $700 million in its quick commerce delivery vertical Instamart and reduce the delivery time to under 15 minutes.

Blinkit is all set to dominate the market by focussing on grocery delivery within 10 minutes. Backed by Zomato, it has already raised an investment of $150 million and entered the unicorn club of start-ups.

Industry heavyweights such as Tata-owned BigBasket are also contemplating scaling up full-fledged operations in the quick commerce domain through the BBNow banner which will be connected as a special feature on Tata's new super app. It will target a 1-2 km radius to fulfil the orders. Zomato has ordered several machines from food robotics startup Mukunda Foods for about 15-20 "cooking facilities" which will reduce cooking time by 20-50% for Chinese and Indian dishes. The average cost of a machine is about Rs 1.5 lakh. Interestingly, Ola will use the facilities of Mukunda Foods too.

SWIGGY blinkit bigbasket zomato zepto

CONCLUSION

While India is the third-largest grocery market in the world, it has the lowest (less than 1 percent) online grocery penetration compared to most of the major markets. Quick Commerce will disrupt the e-commerce market while creating a strong habit of convenience available to customers. But at the same time retail sector analysts believe that this business model of providing deliveries in 10 minutes does not solve any of the existing supply-side problems and as a result might not end up shaping consumer behaviour enough for the customers to pay for these quicker deliveries down the road. While a section of consumers is looking for quick deliveries, it will be interesting to see how the delivery of Quick Commerce will sync with their habits especially during challenging times such as rain, extreme weather conditions, lockdown, etc. when the need for quick delivery arises.

Aditya Dhir
BMS'24

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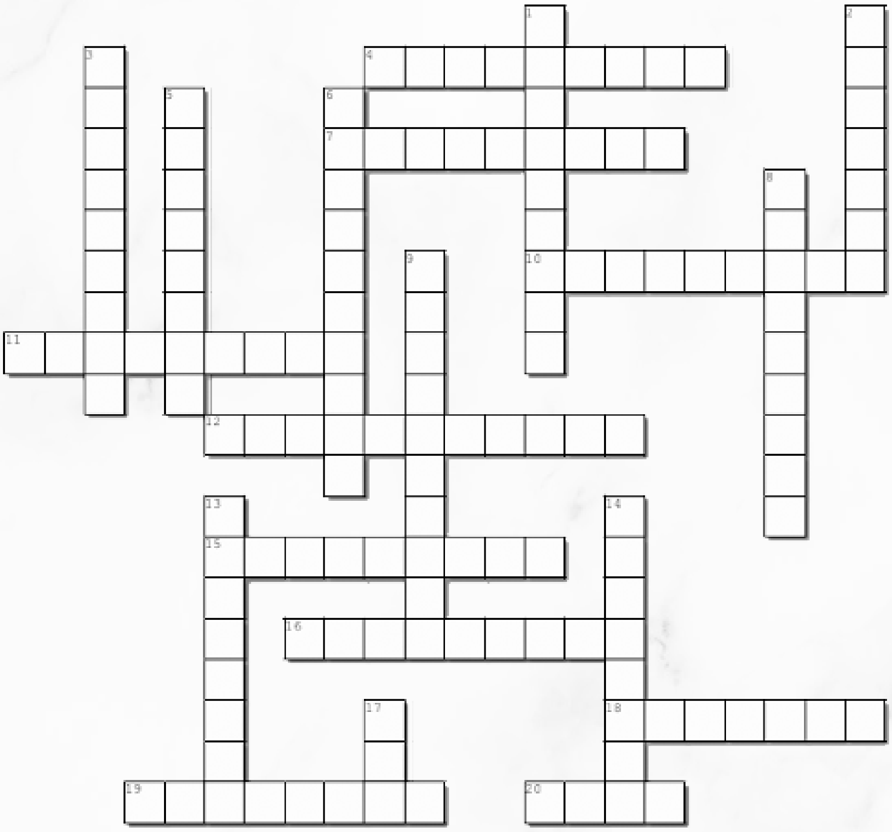
Crossword



Scan this for answers!

Across

4. Ease with which an asset or security can be converted into ready cash
7. Simultaneous purchase and sale of the same securities in different markets to profit (Clever intelligent peep)
10. Inventory refers to all the items, goods, merchandise, and materials held by a business for sale
11. When a business funds its growth purely through personal finances
12. Goods that are for sale (Also the same thing your favourite influencers sell online)
15. Government policy for dealing Monopoly
16. When consumer and asset prices decrease over time and purchasing power increases (a thing you can never experience nowadays)
18. Earned revenues and incurred expenses that have yet to be received or paid
19. The movement of money into and out of a business as goods are bought and sold
20. The legal right to hold another's property

Down

1. A limited area on the web managed and paid for by
an external advertiser company
2. A commitment to re-buy
3. Process of determining the current worth of a business (Favourite thing among sharks in SharkTank)
5. A list of future financial transactions (Also used while predicting the weather)
6. An individual who can't pay his debts and isn't able to reach an agreement with creditors. (Do you remember Kingfisher owner)
8. Practice of funding a project or venture by raising money from a large number of people
9. Asset that a lender accepts as security for a loan
13. Money that is unlikely to be paid in the near future (Relate with your misery friend)
14. The rate at which a new company spends its initial capital
17. When a company first offers shares on the stock market to sell to the public (Eg- The most successful

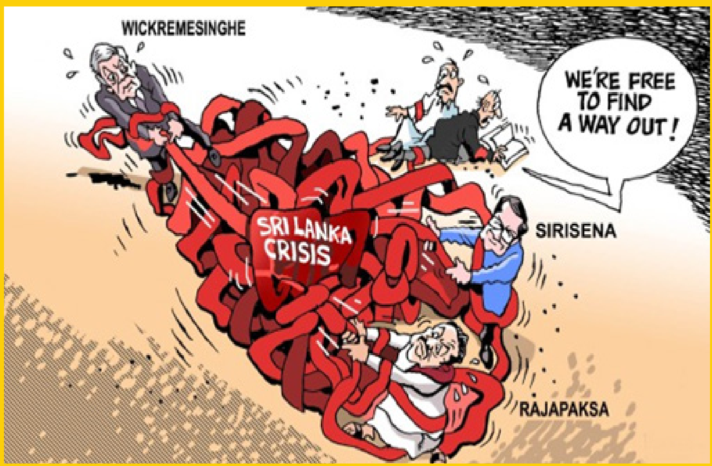
The Sri-Lankan Plight 2K19 - How much Longer?

Brawling with its worst financial crisis since independence in 1948, Sri Lanka announced its default on $51 billion external debt. Petrol pumps in Sri Lanka are expected to run out of diesel by April end. The long queues outside pumps, power cuts and the protests have repainted the streets similar to the time of the civil war. Sri Lankan people are forced to live with power cuts easily lasting over 12 hours a day as the government tries to save fuel and cut expenses. All surgeries have been suspended due to heavy shortage of medicines, doctors are forced to watch patients die helplessly due to lack of medicines.

On 8th April, the medical council of Sri Lanka issued a warning that there could be a catastrophic number of deaths within weeks which will be more than the combined death toll of COVID, Indian ocean earthquake tsunami, and the two decade long civil war that ended in 2006. Healthcare, food, and education are no longer a basic necessity but a privilege for a majority of people living in Sri Lanka. Sri Lankan citizens in big numbers have started immigrating to India, fleeing the skyrocketing prices and lack of basic healthcare facilities back in Sri Lanka.

Ways to dig your own grave - 101, Sri Lanka style

In 2020, the per capita GDP of Sri Lanka was 3,680 US$ compared to only 1900 US$ for India the same year putting Sri Lanka well over India in terms of per capita income and was ranked way above its neighbors in the U.N development index. It is an agricultural powerhouse and the 2nd largest tea exporter. So how did Sri Lanka end up here?



GOVERNMENT - Crises never start overnight, they are built up over a long period. According to W. A. Wijewardena, a former deputy governor of the Central Bank of Sri Lanka, the country was a long way into an economic crisis in 2015 but the situation was ignored by policy makers. The high level of corruption and populous economics rather than developmental economics by consecutive governments dented the GDP growth rate, the large tax cuts under the current

current president Gotabaya Rajapaksa affected government revenues and soared budget deficits.

THE CENTRAL BANK

To cover these deficits the Central Bank initiated a spree of printing new money against IMF's advice to halt printing new money and cut spending, this led to a rapid rise in inflation. With inflation at an all time high, rising crude oil prices, ever increasing foreign debts all contributed individually as well as collectively to the downturn of the economy. CPI inflation stood at an exuberant 18.7% in march 2022, while food inflation rose by 24.7% in the same month. Before 2019 the external debt as a percentage of GDP stood at 42% which now stands at a whopping 119%.

THE UNCALLED BAN ON FERTILIZERS

To add to the long list of blunders the Sri Lankan Government in April 2021 completely banned imports of chemical fertilizers in an attempt to become the world's first organic farming only nation right in the middle of an economic crisis. This uncalculated decision cost the fragile economy heavily. Causing a 20% drop in rice production, forcing a $450 million rice imports by a nation which was earlier food sufficient, and economic losses of over $450 million due to the lower tea production, which was also an important source of foreign exchange for the country, the ban was later revoked in November 2021. The financial crisis of Sri Lanka is a result of continuous mismanagement of funds, people pleasing policies, ignorance of the government to timely act upon the issues, uncontrolled printing of money by the central bank; the brunt of these slip ups is now being taken by the people of Sri Lanka. The central Bank which was supposed to guide the government on

finances seemed to be blind the whole time, supporting the government's mismanagement at every step.

RIDICULE OF RESIGNATIONS AND REPLACEMENTS

Ajith Nivard Cabraal, the ex-governor of Sri Lanka central bank and the ex-treasury secretary S. R. Attygalle found the financial crisis as the best time to resign from their offices, leaving two of the most important positions to be filled amidst this storm. The ex-Finance minister Basil Rajapaksa along with most of the cabinet ministers resigned on 4th April 2022 due to the rising public protests.

In a comedy of errors, the newly appointed finance minister Ali Sabry resigned from his post within 24 hours of his appointment only to return again as the finance minister on 8th April. The President Office on 7th April announced that Nandalal Weerasinghe was appointed as the Governor of the Central Bank of Sri Lanka, replacing Ajith Nivard Cabraal. For someone seeing all this drama from the outside cannot help but compare it to Takeshi's castle with new ministers coming and going like participants in the show.

In march 2022 several schools in Sri Lanka postponed their examinations indefinitely due to paper shortages all over the country as a result of low forex reserves. Maybe in a few months paper might replace gold as an investment class in Sri Lanka. Shelves of supermarkets are virtually empty because of food shortage with the nation's 21 million residents now forced to pay triple for basics like rice, sugar, lentils, and milk powder while the government still denies any food shortages in the country.

In January 2022, Sri Lankan High Commission in Nigeria, consulates in Germany and Cyprus were temporarily closed down due to lack of foreign reserves.Sri Lankan Embassies in Iraq, Norway and Australia met with the same fate in March 2022. The Sri Lankan rupee has been in a free fall for the last 2 years losing almost 50% of its value against U.S $, and on 14th April 2022 a single dollar is equal to 322 Sri Lankan rupees. Sri Lanka is now at the mercy of other countries and the IMF in a desperate fight for its existence.

A RAY OF HOPE

A Sri Lankan delegation led by the newly appointed finance minister Ali Sabry are set to attend a five-day discussion with the IMF beginning on April 18 for a possible bailout, Crawling back to the IMF 4 only months after the central bank had completely rejected any possibility of needing a relief package from the IMF. This will be added to the long list of bailouts given to Sri Lanka, 15 since its independence. The central Bank under the new governor has finally decided to control the rising inflation and the falling value of Sri Lankan Rupee, increasing its benchmark rates by 700 basis points on 8th April, looks like the Central Bank has finally recovered its long lost eyesight along with some common sense.

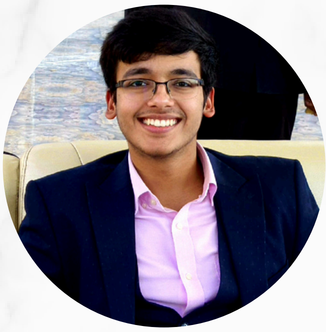
India has been proactive in helping its neighbor first by pledging U. S. $2.4 billion in Jan 2022 followed by a $1 billion credit line as a lifeline to buy essentials like food and medicines on 17th March. The road ahead isn't going to be an easy one for Sri Lanka, Debts will have to be restructured moving forward, investor confidence which has been completely shattered will take a long time to be reinstated, but a glimmer of hope for the economy is the recent inflow of funds by some investors although in small amounts in hopes of big gains when the crisis ends.

WHERE DOES INDIA STAND ?

A natural question that arises when your neighbor is going through a financial crisis is whether we ourselves are safe or not. Therefore, in the case of India, the total foreign debt stands at U.S.$ 570 billion, which when compared to Sri Lanka is over 10 times their foreign debt. Many might conclude that India is in a worse situation, however, the difference stands in the forex reserves and GDP of the 2 nations. On one hand Sri Lanka has foreign reserves of less than $3 billions whereas India has forex reserves of over $600 billions, making it essentially net debt free. This implies that if there was a situation in which India was forced to pay all the foreign debt today, it has the sufficient dollar reserves to make the payment.

Nonetheless, this doesn't guarantee that our current situation will always stay the same. In recent times, foreign debts have risen faster than reserves. The emergence of populous economics lately, in the form of freebies by some state governments, is a dangerous road as political parties will do anything to win elections, possibly giving rise to further people pleasing policies. In the short term these policies might seem appealing, but over the long run they have the ability to destroy any economy.

Is the Indian economy on the same path as the Sri Lankan economy seeing the similarities between these two economies??
Will Sri Lanka ever repay the foreign debts and how does it plan to repay its internal debt??
Whether or not India is on the same path as Sri Lanka we cannot know for sure, but financial crises are something that no economy in any corner of the world is immune to. Countries like the U.K and the U.S.A have gone through a lot of financial crises, but how a country deals with such a crisis, determines their intensity and its after effect on the economy.



Dhruv Rana
B.Com(H)'24

CryptoCurrency : Buzzword?

Since 2020, CryptoCurrency has been among the top trends in the world. And it further got boosted with the introduction of the metaverse. And since these crypto coins are not made by any central authority, they are mined by people around the world. For instance, 18 million out of 21 million bitcoin are already mined by people. And after every 210,000 blocks, the mining slows down and rewards are also lessened. But not each and every person can mine cryptocurrency as it requires huge electricity and power circuit grid connection, which is not affordable to each and every person interested in mining. Hence, there are companies who set up such big places fro mining called Crypto-Farms. And the process by which the Crypto coins are mined is called cryptofarming or cryptomining.

WHAT IS CRYPTOMINING?

Now, the mining of Bitcoins specifically is known as Bitcoin Mining, and the mining of every other crypto coin is referred as cryptomining. It is a process of adding new transactions on blockchains for a cryptocurrency based on the Proof Of Work where one has to solve

There are 6 Bitcoin mining firms around the world who mines upto 750 Bitcoins with running expenses of $1.17 Million each month. These 6 cryptomining farms if taken together were a country, then they would rank 61st in energy consumption.

ARE THEY PUBLIC COMPANIES?

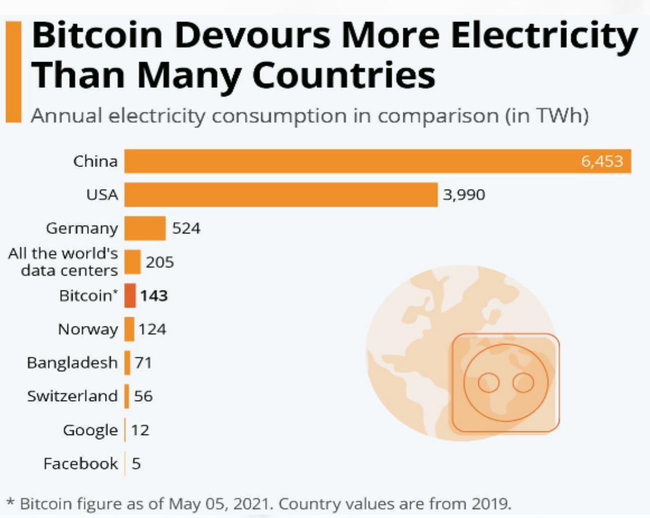
So how are these companies funding their operations? Well, some of the farms were early adopters, hence they just re-invested their earnings to upgrade to a bigger setup. Since, USA has the largest number of Cryptomining farms after China banned cryptocurrency. Hence, we would dive a little bit about the top performing cryptomining companies listed on NYSE.

SOME COMPANIES TO WATCH:

Name: Canaan Inc. (CAN)
Price: $3.46
Market Cap: $594.5 Million
Market Growth: 5820% in Revenue

Name: HIVE Blockchain Technologies Ltd. (HIVE)
Price: $1.46
Market Cap: $713.1 Million
Market Growth: 128% in Revenue

Name: Marathon Digital Holdings Inc. (MARA)
Price: $22.41
Market Cap: $2.3 Billion
Market Growth: 2180% in Revenue



IS THERE ANY FUTURE TO IT?

As mentioned before that cryptomining requires huge running capital and energy supplement, it is a capital intensive business. So the question arises - Is Cryptomining profitable in the long run? Any one who wants to start cryptomining should perform a cost-benefit analysis on the basic factors connected to it. Cost of Power, Efficiency, Time and Bitcoin Value should be analysed with different price points to check out an average cost. Or if individuals want to mine crypto, they can become a part of the mining pool like Slushpool where they pool in their resources to solve problems and then share benefits. Hence, until there is provision of resources required, cryptomining companies are profitable. Another reason for the sustainability is the rewarding mechanism of cryptomining. In the case of Bitcoin right now, the mining would be continued till 2040 as the mining gets slowed down after every block added and rewards reduced.

IS THIS AN INVESTABLE OPTION

Metaverse is booming. So are the cryptocoin values and stocks of companies in crypto industry. There are still people who don't believe in Metaverse, but they do know how to read a balance sheet. Hence, these crypto stocks see cash flow from both the worlds of believer and non-believer as it becomes an amalgamated investment instrument. The companies mentioned above are some of the rising stocks of crypto industry. If you are a crypto investor then you must wet your hands in their correlated shares too. All these stocks show a huge potential with the rise and development of Metaverse.

Shashwat Saini
BMS'24

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Sia teaches us that there are many fun things you can do without having to spend a lot of money. For college students who don't have money to spend on entertainment, the monetary cost of having fun can put a damper on the summer. But what most students don't realize is there are a whole lot of summer activities that are affordable like appreciating archeological structures or gardens, flea markets etc.

FORMATION- BEYONCE

"Always stay gracious. Best revenge is your paper." It's easy to get sucked into petty fights, hold grudges, or want to get revenge on someone who has hurt us. But Beyoncé doesn't have time for petty fights—and always chooses the high road instead. Why? Because doubters are gonna doubt, haters are gonna hate, but you're not gonna care because success blocks all that shade!

COUNTING STARS- ONE REPUBLIC

"I been prayin' hard, Said no more counting dollars, We'll be counting stars"

What happens when we stop worrying about how much money we're making and start focusing on the beauty around us? Miracles. When you appreciate things that matter in your life and what makes you happy, it'll help you use money in a way that sustains it. When you spend money on things you appreciate, it will always pay dividends in the form of gratitude.

STACK IT UP- LIAM PAYNE

"Stack it up man you gotta work for it, ain't nobody gonna be doin it for ya"

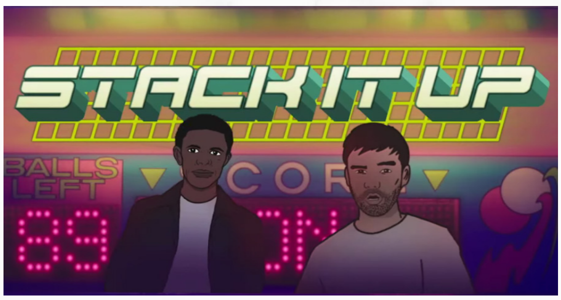
This song is about working hard, being inspired and achieving your dreams. Everyone has a different idea of success, don't let someone else's vision cloud yours. Visualizing your dream life helps you to achieve it faster. This is a song that gives you a mental picture of that finance boosting aim that you're seeking. People also make vision boards that inspire them to work towards that idea every day.

STRONGER – KELLY CLARKSON

Everybody aims for the win, but sometimes life knocks you down. Remember, "What doesn't kill you makes you stronger." While the song is about a break-up, the lyrics hold true for someone trying to run a successful business as well. So, don't lose heart with a little setback, turn up the music and get back to work.

THRIFT SHOP- MACKLEMORE

You might need to do some digging, but you can find brand names and unique items at the thrift store to help define your style. Some thrift stores also work to support local charities in your area. It's a win-win-win: low prices for you, better for the environment, and helping local communities.



BILLIONAIRE – TRAVIE MCCOY FT. BRUNO MARS

If making money is your sole motivation, this song is tailored for you. It is an anthem for every person who wants to be successful and become a billionaire. The song's enchanting lyrics and beat are enough to push you to get up and get working.

FINESSE- BRUNO MARS FT. CARDI B.

Because we do everything with finesse!

Anshika Jain
B.Com(H)'24

Has the Russia-Ukraine War Started a Ripple Effect accross the Globe?

Flip to read ····>

CAN THE RUSSIA - UKRAINE CRISIS TRIGGER CASCADING RISKS GLOBALLY?

The Russian Federation's invasion of Ukraine has triggered a catastrophic humanitarian crisis and threatened the stability of geopolitical relations. The war is the second major shock in two years to trigger an economic contraction in Europe and Central Asia (ECA). Moreover, the war has added to mounting concerns of a sharp global growth slowdown, surging inflation and debt, and a spike in poverty levels. The war has also increased the risk of widespread financial stress among some emerging markets and developing economies (EMDEs). A protracted conflict is likely to heighten policy uncertainty further, magnify existing strains on global supply chains which will lead to a huge rise in inflation over 6 to 8 months.

Russia and Ukraine hold a significant share of the global commodities trade. Russia supplies 10% of the global nickel. Together with Ukraine, it accounts for 29% of the global wheat exports. Some other commodities they supply extensively include palladium, natural gas and corn. So, it comes as no surprise that the commodities sector touched record highs recently. The prices for nickel, aluminium and wheat rallied to their highest in 50 years on March 4, 2022.

WHAT'S AT STAKE FOR THE INDIAN ECONOMY?

Talking about India, this ongoing conflict may impact certain high-frequency indicators like financial markets, exchange rate and crude prices, gold rates in the short-term, a report by State Bank of India (SBI) economists showed. The geopolitical developments in Europe and the sanctions on Russia might not let inflationary pressures recede in the short term. The problem is that India's economy is also struggling with demand problems. Any use of deflationary policies will further hurt aggregate demand and threaten recovery. However, it is noted that this moment will not have any lasting impact on the Indian economy except defence imports and crude oil segment, which is dominated by Russia. Russia is a strategic economic partner, with strategic investments in India's civil nuclear energy sector and defence. The governments of both countries aim to increase bilateral investment and trade by $50 billion and $30 billion, respectively, by 2025. Indian Oil Corp (IOC) said it would no longer accept cargoes of Russian crude and Kazakh CPC Blend cargoes on a free on board (FOB) basis due to insurance risk. Amidst all of these, crude oil prices soared past $100 per barrel, tracking uncertainty in global supply disruptions. India can be one of the majorly impacted countries in the crude oil segment since it imports 80 percent of its crude oil from other countries. Rising crude oil prices contribute to rupee depreciation, rising fiscal deficit and an increase in inflation. According to estimates, a 10% surge in oil prices can increase inflation by 40 basis points (bps), raise fiscal deficit by 30 bps, and reduce GDP growth by 20 bps. Although the RBI Governor recently said that high prices were only due to the base effect, the Ukraine war could change the narrative.
Although there are some sectors which can face consequences in the short run : *(flip)*

BANKING SECTOR

The first being the banking sector which has remained resilient to the Russia-Ukraine conflict so far. Profitability, asset quality and capital adequacy has risen to a new peak with profitability of banks in Dec'21 quarter, as well as YTD FY22 seen touching new highs. This should adequately insulate the banking sector to navigate through the crisis.

TOURISM SECTOR

Coming towards tourism, India's tourism sector could gain from the sanctions. It might become a transit hub for Russian citizens, boosting the airline industry.

GOLD INDUSTRY

Talking about gold, gold prices also rallied above $2,000/oz in the international markets on account of the metal's safe-haven status. On March 9, 2022, MCX gold contracts for April surged 1.67% to reach ₹55,128. With rising gold prices, India can expect a huge wealth effect. As the world's second-biggest consumer of gold, after China, India's gold could become the source of future capital reserves for investment and growth.

GDP

Taking a look at the Indian economy as a whole, economists suggest a negligible impact of the Russia-Ukraine conflict on our economy. "The economy seems poised to enter a high growth (9.2 percent in FY22 over 6.6 percent in FY21), low inflation (4.5 percent in FY23 vs. 5.3 percent in FY22) phase," they added.
Some sectors that stand to benefit from this crisis are the Indian IT industry and capital goods and Agricultural sector. The Indian IT sector could become an alternative for businesses exiting the Ukrainian and Eastern European markets. The Indian Agricultural sector has enough stocks right now to sustain the growth momentum, even as supplies from Russia get disrupted. Industries that might see a decline include the automobile sector, which will bear the brunt of semiconductor shortages, due to a supply-chain constraint in palladium.

HERE IS WHAT WE INFERRED

India is therefore in a delicate position. Russia is not only a major arms supplier but has also maintained a diplomatic stance in India's relations with the USA and with hostile neighbours such as China and Pakistan. The US dollar has appreciated significantly against the rupee recently. India is much better prepared to deal with the "taper tantrum" due to its considerable foreign exchange reserves and manageable current account deficit.
In this highly interconnected global economy, India will unfortunately not escape this crisis unscathed. But the economy might only experience a short-term decline. The market volatility in the coming months might provide plenty of trading opportunities for investors.

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