

# GROUND VIEW



## Road Less Travelled

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**India : Pellet capacity/production outpacing iron ore production reflecting steelmakers preferred pellets over sintering**

*by Vikash Singh*

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*By Roshan Sony*

# India: Pellet capacity/production outpacing iron-ore production. Shows steelmakers prefer pellets over sintering

by Vikash Singh



India iron ore production increased 1% yoy to 255mn tonnes, driven by Odisha, which continues to account for over 55% of the India's production. Because a major portion of the production comes out as a fine, and cannot be directly used in steelmaking, iron-ore fines are largely converted to either sinter or pellets.

Over the last few years, most steelmakers have preferred pellets over sintering mainly due to the following:

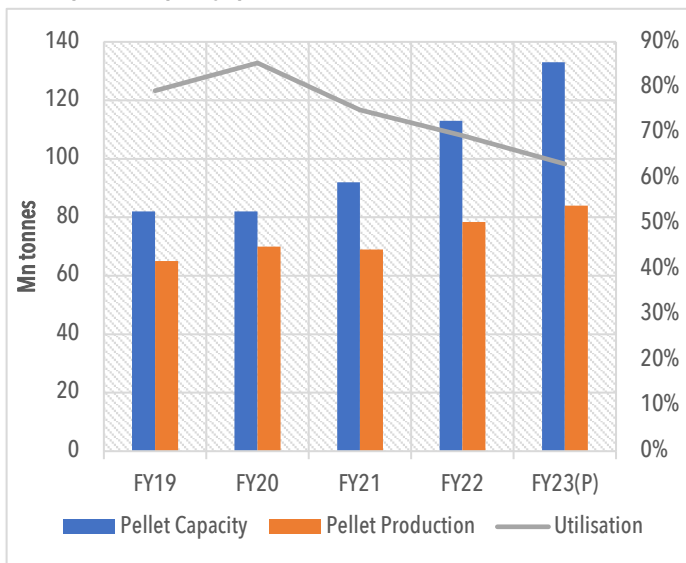
- 1) Better yield
- 2) Perception that pellets are more environment friendly than sinter (this bodes well for targeted Co2 reduction)
- 3) Pellets doesn't attract export duty and can be easily exported at a premium

These benefits resulted in Indian pellets capacity jumping to 133mn tonnes in FY23 from 82mn tonnes in FY20. In the same period, pellets production increased to 84mn tonnes from 70mn tonnes.

FY23 pellets production increased 7% vs. crude steel production's jump of 4%, also indicating the increased use of pellets. At present, 15-16mn tonnes of pellets capacity is under construction, which will increase Indian pellets capacity to c.150mn tonnes.

Even at 70-72% utilization levels, India's pellets production will jump to 105mn tonnes, which will be a 25% increase in production in the next couple of years, which will continue replacing sinter use. In steelmaking, the mix of sinter/iron-ore lump/pellet is 65%/15%/25% at present.

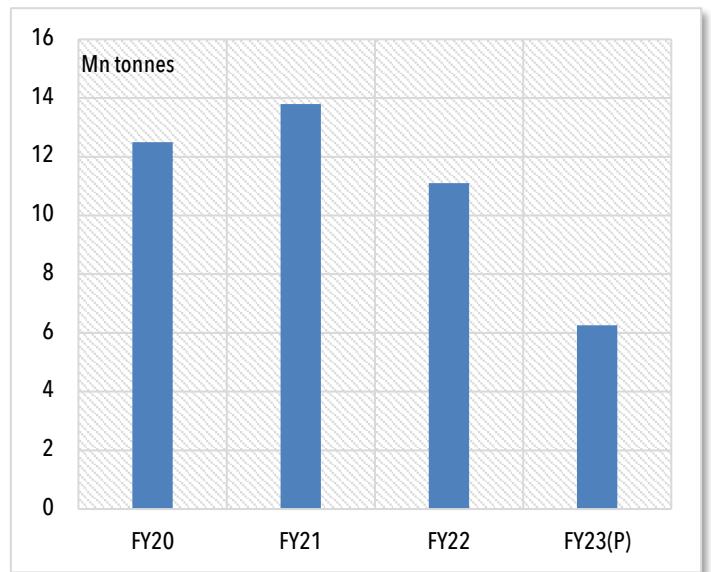
## India's pellets capacity, production, and utilisation



## Expect pellets exports to rise sharply

India imposed 45% exports duty on pellets in May 2022, which was lifted in November. However, this resulted in a sharp yoy fall of 45% in FY23 pellets exports to 6.3mn tonnes. Given that the exports duty is now lifted and there is a sharp increase in capacity of pellets, we expect pellets exports to increase to 12-13mn tonnes in FY24.

## Pellet export from India





## RETROSPECTIVE PERSPECTIVE

– by Roshan Sony

### Snippets

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

### Interesting events/trends of the month

- **Trend reversals (up): Sensex, rupee, brent, forex reserves, India manufacturing PMI**
- **Trend reversals (down): Dollar Index, India retail inflation, services PMI, car sales**
- **US GDP numbers:** 1Q 2023 GDP grows at an annual rate of 1.1% vs. 2% expected.
- **What is happening with rate hikes?**
  - The broad belief is that the US Fed could hike the rate by 25bps in May.
  - For ECB, the consensus is split between 25bps and 50bps hikes.
  - The Fed is expected to pause its tightening cycle soon while pundits are not so sure about the ECB's moves.
  - Japan's central bank decided to keep its ultra-loose monetary policy intact for now.
  - Bank of England raised rates by 25bps to its highest in 14 years – to 4.25%. However, the bank said it no longer expects to head into an immediate recession.
  - In April, after 6 consecutive hikes since May last year, the RBI surprised almost everyone when it left the benchmark interest rate unchanged; most economists expected a 25bps hike. However, Governor Shaktikanta Das stressed the pause does not mean a pivot.
- **India rates in June?** The MPC is likely to hold interest rates steady in its June policy review according to market watchers. However, two factors might play into this status quo. Any signs of a delay in monsoons or irregular rainfall, which could spur inflation. Or a rally in crude oil prices.
- **Growth forecasts:**
  - The IMF cut its 2023 global growth outlook slightly to 2.8%. However, it did say that most countries would avoid a recession this year. It expects global growth to dip below 3% in 2023 and remain at around 3% for the next five years, calling it the lowest medium-term growth projection since 1990.
  - World Bank raised its 2023 global growth outlook higher to 2% from a January forecast of 1.7%, largely due to an improved outlook for China. However, it revised India's GDP growth rate lower to 6.3% in FY24, from December estimates of 6.8%.
  - Asian Development Bank cut India's GDP growth projection for FY24 to 6.4% from the 7.2% it predicted in December.
- **WTO** said it expects global merchandise trade volumes to grow by 1.7% in 2023, up from its October 2022 estimate of 1%.
- **What if China's comeback is not as robust as expected?** China's exports and imports contracted 6.8% yoy and 10.2% yoy in February, respectively. In contrast, business activity in both the manufacturing and service sector picked up pace in February. China's government Work Report announced a growth target of around 5% for 2023, below market expectations of 5.5-6.0%.
- Last month, Silicon Valley Bank's collapse had spread jitters like nothing else in quite a while. Talk about GFC Part 2 spread like

wildfire, with SVB feared to be the first domino in a series of falls, especially smaller banks. However, the authorities stepped in, and confidence seemed to be slowly returning to the financial sector. But some of those fears returned as shares of First Republic Bank collapsed 50% in a day. The bank saw a deposit outflow of over US\$ 100bn, significantly higher than estimates.

- India officially overtakes China as the world's most populous nation by a whisker, according to UN data. India's population now at 1.43bn, a tad above China's.

### India monsoon predictions – is the dreaded El Nino back?

IMD says India will have a normal south-west monsoon in 2023, receiving 96% of its average seasonal rainfall between June and September. However, weather services company Skynet has a different view – that India will get 'below normal' rainfall in 2023 with an increasing likelihood of El Nino.

If El Nino impacts the southwest monsoon in India this year, the onset is likely to be delayed by a fortnight, and rainfall could be below normal. India receives 75% of its annual rainfall during the southwest monsoon in the middle of the year and any adverse impact will raise concerns about its agriculture output.

### Finance Bill, 2023

- The Lok Sabha passed the Finance Bill, 2023.
- Securities Transaction Tax on selling options increased to 0.062% from 0.05%.
- STT on the sale of futures increased to 0.0125% from 0.01%.
- Tax rate of 30% on any winnings from online gaming.
- Announcements made in Budget 2023 have passed such as basic exemption limit raised to Rs 300,000 and threshold limit for total income eligible for rebate under Section 87A increased to Rs 700,000.

### Brazil and China's strengthening ties

- Brazilian President Luiz Inácio Lula da Silva met his Chinese counterpart Xi Jinping. The agenda was to strengthen (already healthy) bilateral trade relations.
- Lula da Silva's predecessor, Jair Bolsonaro, supported former US President Donald Trump – so relations had cooled slightly. However, under Lula's leadership, trade is expected to get better.
- China is Brazil's main trading partner. However, what is interesting is, Brazil exports more to China than it imports from it. For China, this is not a usual scenario. It is almost always a greater exporter.
- Considering this fact – that China and India are both deemed major manufacturing countries among BRICS nations while Brazil and Russia are generally seen as exporters of raw materials, and raw materials make less money than finished goods – the balance of trade in favour of Brazil is surprising. The answer could lie in Brazil's oil exports to China.
- What does Brazil export to China? Soy, iron ore, and oil.



- What does China export to Brazil? Semiconductor devices, office machine parts and telephones.
- Other than China, the US, Argentina, and the Netherlands accounted for most of Brazil's exports. In imports, after China, it was the US, Argentina, and Germany.

## Currencies

- **USDRUB:** The Russian ruble depreciated to its lowest in a year and below pre-war levels. Foreign currency inflows into the country remained weak. There was a rise in domestic demand for foreign exchange. Russia's Q1 exports fell 35% yoy. Despite higher shipments to India and China, energy revenues were struggling. Russia's Finance Ministry has been intervening to keep the currency up.
- **USDEUR:** The euro was at year highs, as investors braced for further rate hikes by the ECB.

## Commodities

- **Coal prices hit bottom, rise:** Newcastle coal futures fell below US\$ 200 due to higher production and slow demand (excluding China). Two major producing regions in China said they would increase production (Shanxi and Inner Mongolia). India's production was also higher in 2022. While Russia's supply came down, South Africa and Colombia's grew. Australian coal shipments were hit by tropical cyclones (seasonal). Due to a warmer than expected winter, demand from the US and Europe was lower than normal; falling natural gas prices also affected coal demand negatively.
- **Crude oil prices rise m-o-m:** The general consensus is still that further interest rate hikes could hurt global economic growth and future energy demand. However, OPEC's anticipated production cuts in May and support from higher Chinese demand kept prices rising. China's Q1 GDP indicated higher growth than expected.
- **Silver:** Silver futures touched a one-year high.
- **India steel prices:** India's domestic steel prices continue to remain volatile amidst lacklustre buying driven by slow overseas demand, dip in export offers and less-than-expected buying in traders' markets.
- **Lithium prices falling:** Prices are down more than 30% this year. The two year price run had led to an increase in the price of batteries. Lithium carbonate prices are down 70% from highs in November due to plentiful supply and weak demand.
- **Sugar prices up:** Global sugar prices touched 11-year highs on expectations of lower supply due to unfavourable weather conditions. Key producing countries, including India, Thailand, China, and Pakistan, have cut crop projections. Europe's sugar production was also lower. Brazil's output could rise, but the higher supply would probably be diverted to ethanol.
- **Iron ore prices falling:** They were at 4-month lows on subdued demand, rising inventories. Rio Tinto reported a better than expected rise in Q1 iron ore shipments from Western Australia, as it ramped up production at its Gudai-Darri mine.

## India stock market: How did the sectors do this month?

- **Trend reversal (up):** Sensex, auto, banks, cap goods, consumer durables, FMCG, healthcare, metals, oil and gas, PSU, realty, power, commodities, energy, financial services, industrial, telecom, utilities
- **Trend reversal (down):** None
- **Buying seen in:** Every sector, except IT
- **Selling seen in:** IT

*Note: Date range 27 Mar - 27 April*

Sector	% change m-o-m	Trend
Sensex	+5.2%	Up
Auto	+9.3%	Up
Bankex	+8.8%	Up
Cap Goods	+7.8%	Up
Consumer Durables	+2.8%	Up
FMCG	+5.8%	Up
Healthcare	+5.4%	Up
IT	-1.1%	Down
Metals	+6.8	Up
Oil & Gas	+5.6%	Up
PSU	+8.9%	Up
Realty	19.1%	Up
Power	+4.1%	Up
Commodities	+5.5%	Up
Energy	+6.2%	Up
Financial services	+8.7%	Up
Industrial	+7.6%	Up
Telecom	+5.8%	Up
Utilities	+3.7%	Up

## The chatter on the street

Met department predicts normal monsoon for India. If it comes true, rural demand for FMCG goods might recover fully. This has declined for six consecutive quarters now	Some experts say the likelihood of El Nino is increasing and so is the probability of it becoming a dominant category that could affect monsoon rains in India.
Fund managers are most bearish since Jan on growth uncertainties	Funding could become more expensive and restricted as lenders pass on increased costs of funds and realign allocation to ease balance sheet constraints
More downgrades in offering for IT sector	Market stuck in accumulation stage, could stay range bound. Indian and US markets to begin correlating longer term
Steel demand robust, but cos profitability could be under pressure	Auto sales to get a boost from growth in infrastructure sector
Tailwinds for the domestic tyre industry. Profitability could rise	Pharma cos could benefit from stable input costs and launches of speciality products
AC industry volumes to rise; PLI schemes to help reduce imports dependence for components significantly, which should lead to better margins	Fashion retail to do well led by the premium/lifestyle segment; value-fashion hit by inflation. Ad spends to increase to combat drop in sales – may hit margins
Steel demand to see decent growth, capacity utilisation at healthy levels, Debt could rise as capex plans gather momentum	Auto components revenues to see good growth despite exports headwinds
EPC players to see growth in orders, higher execution, some bounce back in operating margins	Big trend for FY24 could be the reversal of lower interest burden. Interest pay-outs for corporates could exceed pre-covid levels in value terms, even without leverage rising too significantly
Capex intensity for telecom sector could rise. Those with deep pockets to retain market share. Could limit RoCE for telcos for a while. Broad tariff hikes look difficult due to hyper competition in the sector.	Real estate could see some setback due to inflation, rising interest rates, and recessionary pressures, but underlying demand remains quite healthy
Hotel stocks gather steam as analysts see better days ahead	Financial conditions to remain tighter, policy rates higher. This will increase medium-term borrowing costs

## IPO corner

Name	Date	Size Rs	Price Rs	Listing
Global Surfaces	13-15 Mar	1.5bn	140	+17%
Avalon Techno	3-6 Apr	8.65bn	415-436	-8%
Mankind Pharma	25-27 Apr	43.2bn	1026-1080	NA

## Charts of the month



## March (15-31)

### INDIA

#### Government and RBI

- RBI asks banks to make extra provisioning on top-20 business houses.
- Employees' Provident Fund Organisation endorses an interest rate of 8.15% for FY23, up from 8.1% for FY22.
- Union Cabinet extends the Rs 200 per LPG cylinder subsidy by one year. Hikes dearness allowance and relief by 4% (over the existing rate of 38%); to cost Rs 128bn per annum.
- RBI infuses over Rs 1.1tn into the banking system in a week in March due to tight liquidity conditions, marking the highest single-day liquidity infusion in over four years.
- Foodgrains stock with Food Corporation of India drops to 78% of capacity from 92% three years ago due to lower wheat procurement.
- Govt allocates 39,600 MW of domestic solar PV module manufacturing capacity to 11 companies under the PLI scheme. Reliance gets 6,000 MW, Tata 4,000 MW, ReNew 4,800 MW, JSW 1,000 MW, and Waaree 6,000 MW.
- Crude oil windfall tax cut to Rs 3,500 per tonne from Rs 4,400. Export duty on diesel increased to Rs 1 per liter from Rs 0.50.



#### Data

- MFs invest Rs 208bn in Indian equities in March, FIs invest Rs 149bn.
- Bank credit rises 17% yoy in Dec vs. 8% a year ago. Credit expansion led by personal loans (over a third of incremental credit during 2022): RBI data.
- Smartphone exports in the April 2022-Feb 2023 period jumped 2x yoy: India Cellular and Electronics Association (ICEA).
- Fundraising through QIPs falls to 11-year low in FY23.

#### Corporate/industry

- Ahead of IPL, Jio launches ultra-low broadband plan at Rs 198/month.
- E-rickshaws drive EV penetration in three-wheelers to over 50% in FY23. However, with higher load-bearing capacity and top speed, e-autos may gain prominence ahead.
- NCLAT upholds Rs 13.37bn penalty on Google with modification in directions.
- RIL announces launch of 'affordable' FMCG products.
- Maruti, Honda Cars announce price hikes from April to meet upcoming emission norms.



- Mercedes-Benz to launch more EVs in India, but ICE vehicles to continue too
- Reliance Industries completes Sintex Industries acquisition.
- IndusInd Bank and ZEE settle payment dispute. Bank withdraws objection to the Sony-ZEE merger deal. Zee settles dues with Standard Chartered.
- Coca-Cola plans to sell its bottling operations in India.
- Crompton Greaves: announces merger plan with Butterfly Gandhimathi.
- Airtel: 5G service now available in 500 cities.



#### Others

- From April 1, 2023, debt mutual funds to be taxed as per an individual's income tax slab.
- NSE rolls back 6% increase in transaction charges on equity cash and derivatives segment from April 1.
- Sale of hallmarked gold jewellery or gold artefacts without a 6-digit alphanumeric code will not be allowed after March 31, 2023.

### INTERNATIONAL

#### Data

- UK: Retail sales up 1.2% m-o-m in Feb from 0.9% in Jan. S&P Global UK Composite PMI falls to 52.2 in March from 53.1 in Feb. Annual inflation rate unexpectedly edges higher to 10.4% in Feb from 10.1% in Jan, marking the first increase in four months and compared to forecasts of 9.9%.
- US: S&P Global US Composite PMI jumps to 53.3 in March, expanding from 50.1 in Feb. New home sales up 1.1% m-o-m in Feb, to the highest level since Sept. Industrial production unchanged in Feb. University of Michigan consumer sentiment drops for the first time in four months.
- US economy expands at an annualised 2.6% qoq in Q4 2022, slightly less than an initial estimate of a 2.7% rise.
- Consumer price inflation in the Euro Area at 8.5% yoy in Feb, the lowest since last May but well above the European Central Bank's target of 2.0%.
- German producer price inflation slowed to a 17-month low of 15.8% yoy in Feb.

#### Government/countries

- US Fed hikes interest rate by 25bps to curb inflation, despite banking turmoil.
- Bank of England raises key bank rate by 25bps to 4.25%, in line with expectations; borrowing costs now at the highest level since 2008.

- US Fed joins other major central banks in a coordinated action to enhance provision of liquidity through the standing US dollar swap line arrangements.
- Russia's Vladimir Putin decides to station tactical nuclear weapons in Belarus.
- Immigration fuels Canada's largest population growth of over 1mn.
- France pension reform: Macron's government survives no-confidence vote.
- Sri Lanka: US\$ 3bn IMF bailout for struggling economy.
- Ukraine war: Germany sends much-awaited Leopard tanks.
- Donald Trump indictment: Ex-US president to be charged over hush money.
- New cars sold in the EU must be zero-emission from 2035.
- AI could replace equivalent of 300mn jobs – report.
- Mass protests against a controversial judicial reform intensify in Israel. Israeli PM Benjamin Netanyahu reacts angrily to comments by US president who urged him to walk away from his controversial judicial reform plans.



#### Companies/industry

- Amazon to cut another 9,000 jobs.
- Accenture to cut 19,000 jobs; lowers FY23 revenue forecast.
- Hindenburg shorts Jack Dorsey's payments firm Block, shares plunge.
- UBS Group to buy Credit Suisse for US\$ 3.25bn.
- Saudi National Bank chair resigns in wake of Credit Suisse loss.

#### Others

- Beijing's population falls for the first time in 19 years.
- The International Monetary Fund approves Sri Lanka's request for a US\$ 2.9bn bailout.





## INDIA

### Government and RBI

- Direct tax buoyancy at a record high 2.52 in FY22, the highest in the last 15 years.
- RBI specifies a framework for acceptance of green deposits by banks, small finance banks, and deposit-taking NBFCs, which will be effective from 1 June 2023.
- Govt forms a panel to review the country's pension system.
- RBI leaves repo rate unchanged at 6.5% with continued focus on withdrawal of accommodation. Estimates that in FY24, CPI inflation will come down to around 5.2% (currently 6.4%).
- Portal for reclaiming unclaimed deposits to be ready in 3-4 months: Unclaimed deposits worth Rs 350bn transferred to RBI.
- Windfall tax on crude oil cut to Rs 0 from Rs 3,500 per tonne. On diesel cut to Rs 0.50. Later, govt re-imposes windfall tax on domestically produced crude oil at Rs 6,400 per tonne.
- India suffers a setback at the WTO with a panel ruling against the import duty levied by New Delhi on a wide range of information and communications technology products, including mobile phones.
- Electronics, mobile production corner over 50% share of PLI disbursements.



### Data

- FPIs invest Rs 88bn in the Indian equity market in the first two weeks of April: NSDL data.
- FII buy Rs 39bn of Indian equities as of 1-25 Apr, MFs sell Rs 35bn as of 1-13 Apr.
- Co-lending rises over fourfold in FY23; assets cross Rs 250bn.
- India's exports rise 6% yoy to a record US\$ 447bn.
- Passenger vehicles sales in India grow 27% yoy in FY23: SIAM.
- Retail inflation falls to a 15-month low of 5.7% yoy in March.
- IIP growth at 5.6% yoy in Feb from 5.5% in Jan.
- India services PMI rises for the 20<sup>th</sup> consecutive month to 57.8 in March. Manufacturing PMI rises to three-month high of 56.4 in March.
- GST collection at Rs 1.6tn in March 2023 vs. Rs 1.5tn in Feb.
- India's wholesale price inflation falls to its lowest since October 2020.

### Corporate/industry

- Shipping Corp: Government to invite bids for the company's privatization next month.



- HDFC Bank: Cuts lending rates for select tenures by 0.85% effective April 10.
- Electric two-wheeler sales in India rise 2.5x yoy to 846,000 units: Society of Manufacturers of Electric Vehicles.
- GAIL reduces CNG and PNG prices in various states, Mahanagar Gas in and around Mumbai, Indraprastha Gas in Delhi.
- M&M, Eicher, Ashok Leyland, Hero see good sales growth in March.
- Tata Motors SUV volumes cross 1mn-mark in FY23.
- Indian IT's fresher-hiring spree set to decline.
- LIC's retail investors continue to exit.
- Lacklustre Q4: Infosys net up 8%; guides modestly for FY24.
- Robust domestic demand boosts Tata Steel, JSW Steel output.
- Bajaj Auto takes over Triumph India sales, marketing operations.
- Hindalco slashes capex plan by 43% to US\$ 4.5 billion on Novelis headwinds.
- Hero MotoCorp launches VRS for its staff.
- Comcast Corp enters India with an initial investment of Rs 16bn in Bodhi Tree Systems.
- RIL secures US\$ 5bn fund-raising facility in India's largest ever credit deal.
- Vodafone Idea accuses Jio, Bharti Airtel of predatory pricing
- Rs 96bn bid from Hinduja Group is the sole offer for RCap in second auction.
- Tim Cook opens India's First Apple store in Mumbai's Bandra-Kurla Complex.
- [Invesco exits Zee, sells 5.11% stake for Rs 10bn.](#)
- JSW Steel to source coking coal from Russia at competitive prices.
- Ashok Leyland bags a big truck order from VRL Logistics.
- Promoter entity trims holding in Vedanta.
- Concerns over Vedanta's debt situation misplaced: Anil Agarwal.
- Godrej Consumer Products to buy Raymond Consumer Care's FMCG business for Rs 28bn.
- Wipro Consumer to buy Brahmins, a Kerala based food brand.



### Others

- Retail segment drives overall National Pension Scheme assets growth by 22% to nearly Rs 9tn in FY23.
- SEBI lays down advertisement code for investment advisers and research analysts.
- Investors pump in a whopping Rs 312bn into debt mutual funds in the week ended 31 March, to take advantage of long-term capital gains tax and indexation benefits for the last time.

- SEBI bans former CARE Ratings chief Rajesh Mokashi for ratings manipulation.
- NSE revises methodology of Nifty equity indices for mergers.
- SGX Nifty to delist from the Singapore Exchange, to relist as 'NSE IFSC Nifty' from July 3.

## INTERNATIONAL

### Data

- US: Producer prices drop 0.5% m-o-m as energy prices plunge.
- US CPI up 5% yoy in March, smallest gain since May 2021, but core CPI stays elevated at 5.6% yoy in March.
- Minutes of the March FOMC meeting show that several Fed officials considered a rate pause last month after the failure of two regional banks.
- US Manufacturing PMI falls to 46.3 in March, its lowest level in nearly three years, as new orders continued to contract.
- US trade deficit in goods contracts 8.1% as exports surge and imports decline.
- US new-home sales unexpectedly increase in March to highest level in a year.
- US retail sales fall 1.0% m-o-m in March.
- US industrial production up 0.4% m-o-m in March vs. Feb's 0.2% growth (revised from 0%).
- China sees trade surplus of US\$ 88bn in March, well above forecasts of US\$ 39bn as exports unexpectedly rise 15% yoy.
- Euro zone retail sales contracted 3% yoy in Feb, better than forecasts.
- Germany's consumer price inflation eases to 7.4% yoy in March from 8.7% in February.
- Japan posts a current account surplus of 2.2tn yen in Feb vs. a deficit of 2tn yen in March. Kazuo Ueda begins his five-year term as Governor of Bank of Japan, replacing Haruhiko Kuroda's decade-long spell.
- Euro zone Manufacturing PMI falls to 47.3 in March, UK manufacturing PMI slumps to 47.9 in March from 49.3 in Feb.
- Consumer prices in the Euro Zone rose 6.9% yoy in Feb, down from 8.5% a month ago. However, core CPI accelerated faster than expected by 5.7%, supporting the case for further ECB rate hikes.
- UK GDP increased by 0.1% in Q4 2022, revised from a first estimate of no growth, and compared to a decline of 0.1% in Q3 2022.
- UK retail sales fall 0.9% m-o-m in March following a revised 1.1% increase in Feb.
- UK CPI inflation eases marginally to 10.1% (yoy) in March from 10.4% in February.
- Euro area annual inflation eases to 6.9% in March from 8.5% a month ago.
- China industrial profits fall 21% in Jan-March.
- China keeps benchmark lending rates unchanged for 8th straight month.
- China's GDP up 4.5% (yoy) in Q1 2023.

### Government / countries

- Swiss govt launches probe into UBS takeover of Credit Suisse.
- Israel's government green-lights the formation of a national guard, handing a victory to far-right minister Ben Gvir who proposed the force.
- Russia takes up the presidency of the U.N. Security Council, a rotating role that it will hold for one month.
- Turkey's parliament votes to approve Finland's NATO membership bid. Finland formally joins NATO.
- Pakistan has to return US\$ 77.5bn external debt in the next three years.

### Corporate/industry

- Elon Musk vs. OpenAI: Twitter boss starts new AI company weeks after open letter to halt AI projects.
- KPMG, Goldman Sachs, Morgan Stanley sued in investor lawsuit over SVB failure.
- Price cuts cause Tesla 1Q income, profit margins to fall.
- TikTok Fined US\$ 15.8mn by UK regulator for misuse of children's data.
- Shares of First Republic Bank plunge 50% after news of a recent wave of customer withdrawals.
- Microsoft's strong cloud demand drives profit and sales growth above estimates.



### Others

- OPEC and its allies cut oil production by 1.6mn barrels per day.
- Global food prices continue to stay above pre Russia-Ukraine war and 2020 levels: UN.
- Global food prices (measured by FAO price index) at 126.9 in March, lowest since July 2021.
- Bernard Arnault, founder of Louis Vuitton, becomes richest person in the world, with a net worth of US\$ 211bn. Asia's richest person Mukesh Ambani ranks 9th overall with a net worth of US\$ 83.4bn.

Source: Various media publications

## Key indicators

- **Trend reversal (up):** Sensex, rupee, brent, forex reserves, manufacturing PMI
- **Trend reversals (down):** Dollar Index, retail inflation, services PMI, car sales

Sensex	Up
Gold	Up
Rupee	Up
Dollar Index	Down
Oil (Brent)	Up
India 10-year G-Sec Yield	Down
Ind retail inflation (Mar, mom)	Down
India Producer Price Index (Mar, mom)	Flat
India WPI (Mar, mom)	Down
Loan growth (Mar, mom)	Down
RBI balance sheet (Feb, mom)	Down
IIP growth (Feb, mom)	Flat
Manuf. PMI (Mar, mom)	Flat
Services PMI (Mar, mom)	Down
Forex reserves (Apr)	Up
Gold reserves (Q4 2022)	Flat
Exports (Mar, mom)	Up
Imports (Mar, mom)	Up
Car production (Mar, mom)	Down
Car sales (Mar, mom)	Down
Aluminium	Down
Copper	Down
Zinc	Down
Crude	Up
Coal	Up
Silver	Up



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