



I-CAN
COMMUNIQUÉ

OCTOBER
2021





MONTHLY NEWSLETTER – OCTOBER 2021

Sensex : Up 2.7%	
Nifty : Up 2.8%	
Best performing sector: Media (33.5%)	Worst performing sector: Pharma (-2.0%)
Best performing Global index: RTS Index (5.6%)	Worst performing Global index: Bovespa (-6.5%)
Indian Rupee: -1.7%	Gold (International): -5.2%

Indian equity benchmarks Sensex and Nifty were up by ~2.8%. The S&P BSE Mid Cap and Small Cap indices outperformed the large cap indices by clocking in gains of 6% and 4% respectively. The benchmark 10-year government bond yield remained almost flat at 6.22%.

Foreign institutional investors (FIIs) continued investing in Indian markets. The net investment in equity and debt markets was Rs. 13,153.7 crore and Rs. 12,803.5 crore respectively.

The new Covid-19 cases registered has been on a steady decline. The number was around 47,000 in the beginning of September and on 30 September was a little over 23,000. The daily positivity rate was lower than 3% for the last 31 days. More than 88 crore vaccine doses have been administered in the country.

Some of the agencies have altered their FY22 GDP growth predictions for India:

Agency	Previous FY22 GDP Est. (%)	Revised FY22 GDP Est. (%)
ICRA	8.5	9
CARE Ratings	8.8-9	9-9.2
OECD	9.9	9.7
Asian Development Bank	11	10

Standard & Poor’s (S&P) expects a strong rebound in economic activity in India in the June-September quarter after a sharp contraction in output during the second Covid-19 wave. According to United Nations India could grow at 7.2% in 2021. The index of industrial production (IIP) which measures factory output increased by 11.5% in July on account of a low base. However, the index level is now close to the July 2019 levels.

India’s Manufacturing Purchasing Managers’ Index (PMI) showed an improvement from 52.3 in August to 53.7 in September. India’s Services PMI eased from 56.7 in August to 55.2 in September. A figure above 50 indicates expansion.

As per a report by the Centre for Monitoring Indian Economy (CMIE), the index of consumer sentiments grew by 5.3% as on 12 September. The index for rural India was up by 9%, driven by the middle income households in rural India. The Nomura India Business Resumption Index (NIBRI) was marginally down to 100.6 for the week ending September 19 from 101.4 in the previous week. It is still above the pre-pandemic level of 100.

As per the Global Innovation Index 2021 rankings India's spot went up by two places to 46. This is on account of a vibrant start-up ecosystem and research by public and private institutions. The rank was 81 in 2015. A recent McKinsey Paper predicts that India will have the third-highest number of high income households by 2030. A survey of 1,200 multinational business leaders published by Deloitte showed that 44% of them planned on making additional or first-time investments in India.

India's wholesale inflation increased to 11.39% in August, marginally up from 11.16% in July. The retail inflation eased to 5.3% in August from 5.59% in July.

GST collections touched a 5-month high of Rs. 1.17 lakh crore in September, 23% higher than September last year.

The June-September monsoon season this year ended with a rainfall of 99% of the long-term average, against 101% (with a model error of $\pm 4\%$) predicted by IMD.

Reforms

- The government unveiled major reforms for the telecom sector. Most important ones:
 - A 4-year moratorium on payment of adjusted gross revenue (AGR) dues and another 4-year moratorium on payment of spectrum which was purchased in the past auctions (except for the 2021 auction). Although interest will be charged for companies opting for this, it is a huge relief for the telecom players
 - The definition of AGR was revised by excluding non-telecom revenue of telecom companies on prospective basis
- The Cabinet approved 100% FDI in the sector via the automatic route
- The tenure of spectrum license was increased from 20 to 30 years
- The government identified five key focus areas for the next set of reforms in the education sector. There are: education finance, administration, accounting system, a central higher education data repository and internal autonomy. The University Grants Commission (UGC) asked all the colleges and universities to brainstorm and share feedback
- A 100-day plan with 16 major points was unveiled by Civil Aviation Minister Jyotiraditya Scindia to give a boost to the civil aviation sector. Among the 16 points, 4 relate to infrastructure, 8 are under policy targets and 4 relate to reforms.
- The Women and Child Development Ministry plans to amend the Hindu Adoption and Maintenance Act (HAMA) that will make it easier for NRIs to adopt children.
- The government extended the validity of its Rs. 4.5 lakh crore guaranteed loan scheme for companies and individuals by 6 months to March 2022 or until the limit is used up, whichever is earlier.
- A National Single Window System was launched with the aim of becoming a one-stop shop for investors to apply for various approvals and ease the process of setting up units.
- SEBI approved a framework for gold exchange wherein gold will be traded in the form of electronic gold receipts. The exchange will also lead to efficient and transparent spot gold price discovery. The creation of a social stock exchange was also approved.
- The government reduced the base customs duties on palm, soybean and sunflower oils to control prices of edible oils during the festival season.

What is a Title Insurance Policy?

Title Insurance is in its infancy in India. The Insurance Regulatory and Development Authority of India (IRDAI) introduced this a few years ago and now has added some beneficial clauses for customers. IRDAI plans to allow home-buyers as well as lenders to take this policy. Currently it is available only for promoters/developers. IRDAI has asked general insurance companies to launch new title insurance products for promoters/developers, allottees and retail property buyers. However, it is not made mandatory by the regulator.

A Title Insurance policy protects the policyholder against faulty titles against one's house. Any financial loss which is incurred from defects in the title of a property is covered under such a policy. The policy is a retrospective one. Hence the insured is protected against financial losses from events that occurred prior to the issue date of the policy.



Features of the policy

- Possible title defects include forgery, liens, encumbrances, fraud and so on. The title defect needs to be disclosed at the start and needs to be underwritten by the insurer.
- The maximum sum assured is up to the purchase price of the property
- The cover is currently mandatory for developers as per the Real Estate (Regulation and Development) Act 2016
- The insurance will not work if a house is being built on encroached land
- It excludes fallout related to the Covid-19 pandemic

Did you know?

The 100 folds in a chef's hat represent 100 ways to cook an egg.

Cartoon of the Month





Top Personal Finance News – September 2021

- 1) Equity Investment: Here's everything you need to know: [Click here](#)
- 2) Not every gift is exempt from tax: [Click here](#)
- 3) Silver ETFs get the green light, but are they worth investing in?: [Click here](#)
- 4) How to transfer money using UPI without Internet: [Click here](#)
- 5) How does good and bad credit history affect your prospects of securing a loan on favourable terms?: [Click here](#)
- 6) A Will is invalid in the absence of witnesses: [Click here](#)
- 7) Who will benefit from India's entry into global bond indices?: [Click here](#)
- 8) Follow these 7 rules to resolve money issues peacefully with your spouse: [Click here](#)
- 9) Claiming deductions under Section 80C? Avoid these mistakes: [Click here](#)
- 10) How to prevent auto-debit failures from 1 October: [Click here](#)
- 11) Multi-cap vs flexi-cap mutual funds: Where to invest for long-term capital growth?: [Click here](#)
- 12) Key factors to consider while planning to finance your child's higher education abroad: [Click here](#)
- 13) What a personal loan costs you: [Click here](#)
- 14) How to participate in a share buyback?: [Click here](#)
- 15) Everything you need to know about no-cost EMIs: [Click here](#)
- 16) How to reactivate a lapsed life insurance policy?: [Click here](#)
- 17) LTA benefits: Can you claim for two years consecutively?: [Click here](#)
- 18) What is circuit breaker in the stock market?: [Click here](#)
- 19) Should you take advantage of low home loan rates?: [Click here](#)
- 20) Gold prices near 6-month low. Should you start buying now?: [Click here](#)