

From Director's Desk

Dear Reader,

As we celebrate India's 78th Independence Day, I am reminded of two great Indians who played a pivotal role in India's struggle for Independence. Rabindranath Tagore – perhaps India's greatest poet, thinker and philosopher. And Mahatma Gandhi, the Father of the Nation, and the leader of the Independence Movement.

And what better time is there to re-visit some of the timeless wisdom that these two greats have left for future generations than now, on the occasion of Independence Day. Their teachings have been an inspiration to me in my investment journey.

There is one quote of Tagore that has stayed with me over the years – ***"You cannot cross the sea by merely standing and staring at the water"***. This quote serves as a powerful reminder to action – a reminder to us investors to actively pursue our financial goals rather than passively observing and procrastinating. As a well-respected investment advisor recently shared with me, the only advice he has for first time investors is simply to make a beginning! You cannot build wealth by "standing and staring at the water".

To quote Tagore again – ***"For many years, at great cost, I travelled through many countries, saw high mountains, the oceans. The only thing I did not see were the sparkling dew drops in the grass outside my door"***. Whenever I read this quote, I am reminded that good investing is more about common sense and simplicity and the best investment opportunities are just "outside your door". Oftentimes the most rewarding investments are those within your reach but instead we choose to chase complex and sophisticated financial products and glamorous options. Should we not learn to appreciate the beauty and value of what is right in front of us?

Like Tagore, I have learnt a lot from the writings of Mahatma Gandhi. Gandhi said, and I quote, ***"The future depends on what you do today"***. I don't think that there can be a better way of explaining the concept of time value of money. Investing is all about putting money to work today so that it can grow over time through the power of compounding. If we want to secure our financial future, we need to start today! To further quote Mahatma Gandhi – ***"You may never know what results come from your actions, but if you do nothing, there will be no results"***! I have learnt over the years that the only certainty in the market is uncertainty. So come what may, do not let uncertainty paralyze you. Not taking action and leaving your money idle comes with a huge opportunity cost for you.

Another quote of Mahatma Gandhi that today sounds particularly prescient, in this day and age of systematic investment plans, is – ***"Whatever you do will be insignificant. But it is important that you do it"***. The way to build great wealth is by investing small sums of money regularly. The key is to stay disciplined and consistent.

As we at NISM, on the occasion of the 78th Independence Day, re-dedicate ourselves to the purpose of "capacity building for the securities market ecosystem", I am reminded of another towering personality, Dr. A.P.J Abdul Kalam, who said – ***"Building capacity dissolves differences. It irons out inequalities"***. We at NISM believe that by enhancing knowledge, skills and resources among market participants, we can empower investors to make informed decisions, promote inclusivity and reduce disparities in access.

Wishing all our readers a happy Independence Day.

Sashi Krishnan
Director, NISM

India: Macro Data

Macro Indicators	As On			% Change in last	
	31-07-2024	31-07-2023	30-07-2021	1 year	3 years
Nifty	24951.2	19753.8	15763.1	26.3	58.2
Sensex	81741.3	66527.7	52586.8	22.8	55.4
Nifty P/E	22.8	21.4	23.3		
Sensex P/E	23.3	22.3	24.4		
RBI Rate (%)	6.5	6.5	4		
10 Yr G Sec (Gol) %	6.9	7.2	6.2		
INR USD	83.7	82.2	74.4	-1.82	-12.5
GST Collection (Rs lac. cr.)	1.8	1.6	1.1	10.3	56.89
GDP growth rate %	7.7	8.2	22.6		
Export growth rate %, yoy	2.5	-15.8	50.2		
Import growth rate %, yoy	4.9	-17.01	62.09		
CPI (Consumer Price Index) %	5.08	7.4	5.6		
WPI (Wholesale Price Index) %	3.3	-1.2	11.5		
BSE Mkt Cap Rs lac. cr.	462	306	235	50.9	96.5
NSE Mkt Cap Rs lac. cr.	458	304	233	50.6	96.5

Source: Bloomberg

Win attractive
cash prizes by
answering simple
Quiz.

Details in inside
pages....

Congratulation to the Lucky Winners of NISM Newsletter Quiz July 2024:

- Rambha Suthar
- Mahima Gupta
- Anant Dugar

FINANCIAL MARKETS

RBI MPC keeps repo rate unchanged at 6.5%

The Reserve Bank of India kept the repo [rate](#) unchanged at 6.5% for the 9th time since February 2023. The RBI had last cut the repo rate by 40 basis points to 4 per cent in May 2020 when the Covid pandemic raged across the country affecting the entire economy, leading to slowdown in demand, production cuts and [job](#) losses. Since then, the RBI has hiked the repo rate by 250 points to 6.50 per cent in order to tackle high inflation level after the epidemic subsided. With RBI leaving the repo rate steady at 6.5 per cent, all external benchmark lending rates (EBLR) that are linked to the repo rate will not increase, giving relief to borrowers as their equated monthly instalments (EMIs) will not increase. In response to the 250-bps policy rate hike since May 2022, banks have [revised](#) their repo-linked EBLRs upwards. The 1-year median marginal cost of funds-based rate (MCLR) of banks increased to 168 bps during May 2022–June 2024.

1. Retail inflation drops to 3.5% in July 2024, hitting a near 5-year low

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Retail inflation in July eased to 3.54%, marking a sharp decline after it rose in the previous month. With this, retail inflation has fallen below the RBI's medium-term target of 4%. There is sharp decline in the year-on-year inflation rate based on the All-India Consumer Price Index (CPI) number for the month of July 2024, which is the lowest in the last 59 months.

2. GST collection up by 10.3% at Rs. 1.82 lac cr. in July 2024

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India's Goods and Services Tax (GST) collections rose to Rs 1.82 lac cr. in July 2024, marking a 10.3% year-on-year increase from Rs 1.65 lac cr. in July 2023. Compared to June 2024, which recorded a total gross GST revenue of Rs 1.74 lac cr., July 2024 saw 4.8% increase.

3. India's manufacturing PMI at 58.1 in July 2024

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Manufacturing activity in India moderated marginally in July from a month ago, mainly on account of softer increases in new orders and output. The HSBC India Manufacturing Purchasing Managers' Index stood at 58.1 in July from 58.3 in June. A PMI reading of above 50 indicates an overall increase compared to the previous month and below 50 indicates an overall decrease.

4. India's services growth remains robust at 60.3 in July 2024

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Indian service providers experienced a significant upturn in business activity during July, supported by strong demand and investments in technology and online offerings. The service PMI stood at 60.3; While there was a slowdown in growth, business activity has remained above the neutral mark of 50.0 for the thirty-sixth consecutive month.

5. India's forex reserves slightly off all-time highs at \$651.99 bn

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The reserves are currently a tad lower than their all-time highs of USD 655.817 bn. touched recently. The reserves have been rising on and off for a long time now. In 2024, they have risen about USD 30 bn. on a cumulative basis.

SECTORAL DEVELOPMENTS

1. Mutual fund and retail ownership in listed companies at fresh high

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Mutual fund (MF) and retail shareholding in NSE-listed companies hit fresh record highs during the quarter ended June 2024, while that of foreign portfolio investors (FPIs) declined to its lowest level in 12 years. According to data tracker Prime Infobase, MFs holding rose to 9.17 per cent on June 30, 2024 from 8.93 per cent on March 31, 2024.

2. Govt reduces windfall tax on crude oil to Rs 4,600 per tonne

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The Union government has slashed windfall tax on domestically produced crude oil to Rs 4,600 per tonne from previous Rs 7,000 per tonne. Windfall tax on export of diesel and aviation turbine fuel (ATF) has been kept at nil.

3. Indian govt bonds to enter JP Morgan Bond index

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In a significant development for domestic fixed-income markets, Indian government bonds are now included in JPMorgan Chase & Co's emerging markets bond index. This follows an announcement made in September of the previous year 2023, paving the way for substantial inflows of foreign capital into the Indian economy.

4. UPI transactions cross Rs. 20 trn. for third successive month in July 2024

Payments through the UPI reported a 45% yearly growth. The value of transactions also saw a growth of over 35%, totalling Rs.20.64 trn. This marks the third consecutive month when total transactions exceeded Rs. 20 trn. In June 2024, the total UPI transaction value was Rs. 20.07 trn., while in May it was Rs. 20.44 trn.

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REGULATORY DEVELOPMENTS

1. SEBI issues norms for AMCs to identify front-running, frauds

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SEBI outlined new norms to hold AMCs accountable. These norms mandate the establishment of surveillance systems, internal control procedures, and escalation processes to identify, monitor, and address specific types of misconduct.

2. SEBI enables ESG rating providers to undertake activities under IFSCA

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IFSCA has been added to the list of financial sector regulators to enable Credit Rating Agencies (CRAs) and ESG Rating Providers (ERPs) to undertake rating and ESG rating activities, respectively, at IFSC-GIFT City, Gujarat.

3. SEBI tweaks guidelines on REITs, InvITs to promote ease of doing business

To promote ease of doing business, markets regulator SEBI tweaked the framework involving the nomination rights of unitholders of real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) to appoint directors.

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4. RBI Revises NPA Provisioning Norms for Cooperative Banks

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The RBI has introduced new norms for treating Bad and Doubtful Debt Reserves (BDDR) in cooperative banks to ensure uniformity. Effective immediately, provisions for non-performing assets (NPAs) must be recognized as expenses in the Profit & Loss account starting FY25.

5. RBI issues guidelines for non-bank payment service providers to prevent cyber security risks

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The large non-bank PSOs need to abide by the directions by April 1, 2025. These include Clearing Corporation of India Limited (CCIL), National Payments Corporation of India (NPCI), Bharat Bill Payment Operating Units (BBPOUs), and Payment Aggregators (PAs), Non-bank ATM Networks, White Label ATM Operators (WLAOs), Large PPI Issuers, and Trade Receivables Discounting System (TReDS), among others.

6. RBI revokes unrestricted access for FPIs to new 14-year and 30-year bonds

Foreign portfolio investors (FPIs) will no longer have access to newly issued Indian government bonds with 14-year and 30-year tenors under the fully accessible route (FAR). However, existing

14-year and 30-year debt securities previously designated under the FAR will remain accessible to non-residents for investments in the secondary market.

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DEVELOPMENTS IN RELATED AREAS

1. Net FDI, FPI and FII data (2024-2025)

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FDI, FPI and FII data are out for ready reference in RBI Bulletin for May 2024 with estimates of latest months along with debt transactions of FDI enterprises – point 34 under Foreign Investment Inflows.

2. Import duty cut lowers gold prices, expected to boost demand in world's second-largest consumer

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A gold import tax cut by India, the world's second-largest gold consumer, has lowered prices in the country and is expected to revive domestic demand in the coming months. The import tax reduction from 15% to 9% for gold was one of the several pro-gold policy measures introduced in India's federal budget in late July 2024.

3. FDI in India's manufacturing sector hits \$165 bn., 69% growth in last 10 years

The country is emerging as a top destination for foreign investment in the manufacturing sector and in the last decade, foreign direct investment (FDI) inflows in the sector surged almost 69 per cent to reach \$165.1 bn. FDI equity inflow in the manufacturing sectors in the last 10 financial years (2014-24) has increased as compared to \$97.7 billion in the previous 10 financial years (2004-14).

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4. Power demand up 7% on year in July

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India's power demand is estimated to have risen by 7% to 150 billion units (BU) in July from the corresponding period of last fiscal owing to higher consumption in rain-deficient northern states. In June, the power demand rose by 8.6% from last year. The demand for power during the first four months of the current fiscal 2024-25 also registered an increase of 10% over the year ago period

GLOBAL FINANCIAL DEVELOPMENTS

1. China's Manufacturing Contracts in July

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The Purchasing Managers' Index, based on a survey of factory managers, slipped 0.1 points to 49.4, the National Bureau of Statistics said Wednesday. It was the third straight monthly reading below 50, a level that indicates a contraction of manufacturing activity.

2. Bank of Japan lifts rates as Fed inches towards cut

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The Bank of Japan raised interest rates to levels unseen in 15 years and unveiled a detailed plan to slow its massive bond buying, taking another step towards phasing out a decade of huge stimulus. The rate hike, which dashed dominant market expectations for no change, was the largest since 2007 and came just months after the BOJ ended eight years of negative interest rates as the bank's chief seeks to dismantle his predecessor's unorthodox policies.

3. Layoffs pile up in US, Canada as companies uncertain of economy

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As job cuts persist in 2024 across the U.S. and Canada, sectors including technology, automakers, media, and financial services are heavily affected. Key companies like Amazon, Alphabet, Intel, and Tesla are making significant reductions to manage costs amid economic

fluctuations. This trend highlights ongoing uncertainties in the market despite easing recession fears.

4. Bank of England cuts rates from 16-year high by a quarter point to 5% [Read more](#)

The Bank of England (BoE) has cut interest rates for the first time in four years, The central bank reduced borrowing costs by a quarter-point to 5.0%. This is the first cut in rates since March 2020, at the start of the COVID-19 pandemic.

NISM National Institute of Securities Markets
A Capacity Building Initiative of SEBI

- Corpus Making Calculator
- Fixed Deposit Calculator
- Recurring Deposit Calculator
- Vehicle Loan Calculator
- Retirement Calculator
- EMI Calculator
- Lumpsum Calculator
- SIP Calculator
- Compounding Calculator
- NPS Calculator

YOUR MONEY, YOUR FUTURE, OUR CALCULATOR.

Financial calculators are indispensable tools that help individuals and businesses make informed decisions about their finances. These financial calculators are user-friendly and provide detailed, accurate results, empowering users to make informed financial decisions.

CONFIDENCE

Click here to access the financial calculator

NISM PROGRAMS

Fostering Partnerships

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PARTNERSHIPS FOSTERING

NISM is Actively engaged in fostering partnerships for enhancing the coverage of financial sector capacity building program. Inviting reputed **Higher Education Institutions** to partner with NISM.

Securities and Exchange Board of India (SEBI) emphasizes the need for a proficient workforce to maintain market efficiency and integrity. Ongoing global, technological, and regulatory shifts demand skilled and adaptable professionals who can navigate market complexities with unwavering commitment to compliance and ethics. In light of the evolving financial landscape, it is evident that enhancing the current academic curriculum offered by Higher Education Institutions can effectively prepare students with the specialized knowledge and practical skills

navigate the dynamic and regulated world of finance. The Financial Services Industry is facing critical shortage of skilled and job-ready professionals to keep pace with its rapid growth and expansion. NISM offers a range of certifications, e-learning, and other long-term programs designed to equip individuals with the necessary skills and updated knowledge to excel in the dynamic field of securities markets. We believe that our expertise in this area can be of great value to the institutions and their students. By collaborating with NISM, HEIs can fulfill the mission of promoting professional development and job readiness among students, while also reaping benefits such as improved job placements, higher rankings, and better admissions. We invite HEIs to explore this opportunity and engage in discussions on how we can work together.

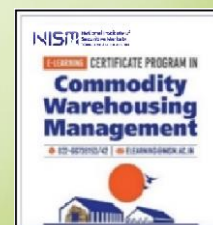
NISM Certifications



NISM Series-XXIII: Social Impact Assessors Certification Examination: This examination seeks to create common minimum knowledge benchmark for the persons to become Social Impact Assessors. The certification aims to create a pool of Social Impact Assessors who would assess the impact of social interventions of various social enterprises who raise funds through the social stock exchange platform. The certification covers important topics to aware candidates about myriad aspects of Social Stock Exchange and social impact assessment. It covers wide range of topics related to social sector organisations, enterprises and interventions, social impact assessment, social impact assessment techniques, social impact assessment standards, social impact assessment reporting etc. It will be immensely useful to all those who want to have a better understanding of social impact assessment field.

Certificate Program in Commodity Warehousing Management: This e-learning program aims to train the participants with the best practices in the warehousing management industry. The course would enable passionate professionals to handle all functions related to warehousing right from good practices in the commodity eco-system such as storage, price stabilization, minimization of risk, financing, grading and packing.

[Read more](#)

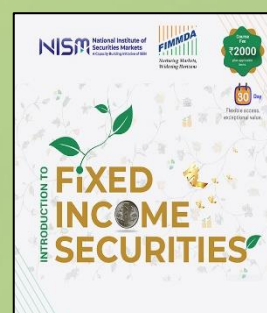


NISM e-learning modules

Introduction to Fixed Income Securities

Fixed income securities refer to a diverse range of investment instruments where investors lend money to an entity, such as governments or corporations, in exchange for regular interest payments over a period. Introduction to Fixed Income Securities, is a comprehensive eLearning course jointly developed by the National Institute of Securities Markets (NISM) and the Fixed Income Money Market and Derivatives Association of India (FIMMDA). This course is designed to provide a thorough understanding of the Indian fixed income securities market, types of fixed income securities, and the associated risks. Whether you're a seasoned professional or a student looking to enhance your knowledge, this course offers valuable insights into the world of fixed income securities.

[Read more](#)



[Read more](#)

Overview of Indian Debt Markets



Debt Market is the market where fixed income securities of various types and features are issued and traded. Overview of Indian Debt Markets, is a comprehensive eLearning course jointly developed by the National Institute of Securities Markets (NISM) and the Fixed Income Money Market and Derivatives Association of India (FIMMDA). This course is designed to give a comprehensive understanding of the intricacies of Money Market, Government Debt Market, and Corporate Debt Market in India.

AML for Accounting Professionals

[Read more](#)



Anti-Money Laundering (AML) for Accounting Professionals is a critical aspect of financial stewardship. This specialized eLearning course is a comprehensive guide aimed at empowering professionals with the essential tools to combat financial crimes. From unravelling the fundamentals of money laundering to navigating core concepts and FIU guidelines tailored for professionals, this course delves into a risk-based approach and emphasizes Know Your Client (KYC) practices. Participants will explore vulnerabilities within accounting services, identify red flags, and master transaction monitoring, ultimately learning to design a robust AML/CFT framework.

Financial Planning (Basic)

[Read more](#)



Discover the fundamentals of managing your or your clients' finances with our "Financial Planning (Basic)" course. Perfect for beginners and those looking to establish a strong financial foundation, this course covers essential topics such as need for financial planning, financial planning process, risk management, investment planning, and the roles and responsibilities of a SEBI registered investment adviser. Explained in simple - terms, this course ensures that financial planning concepts are easily understood by the learner. Whether you are an individual or an investment advisor, this course provides practical skills that can be applied immediately to secure your or your clients' financial well-being.

Financial Planning (Advanced)

[Read more](#)

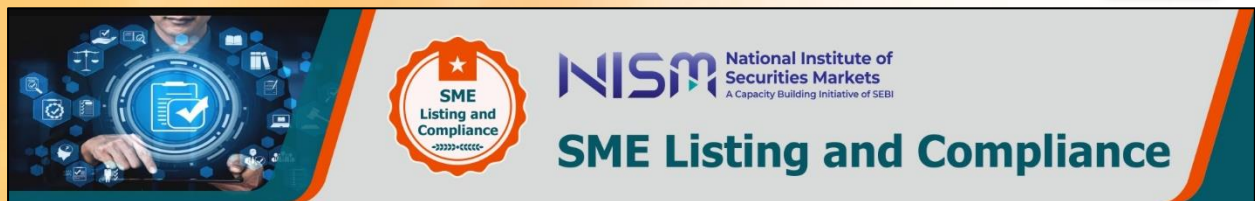


Take your financial knowledge to the next level with our "Financial Planning (Advanced)" eLearning course. Designed for individuals with an understanding of basic financial concepts, this course delves into advanced topics such as goal prioritization, application of time value of

money, building retirement corpus, and regulatory framework for SEBI registered investment advisers. Led by experts in the field, this course challenges you to explore complex financial scenarios using case studies, equipping you with the tools to navigate intricate financial landscapes. Whether you are a seasoned investor or an investment adviser looking to enhance your expertise, this course provides advanced insights to elevate your financial planning skills.

SME Listing and Compliance

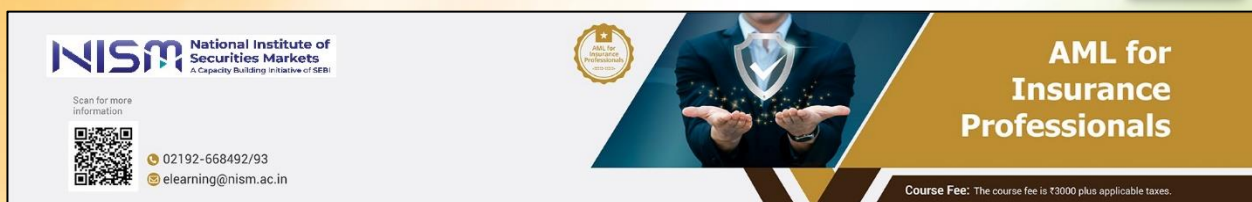
[Read more](#)



SMEs (Small and Medium Enterprises) play an important role in driving innovation, creating employment, and contributing to the country's GDP. As they want to expand their horizon by opting for public listing, comprehensive understand of the listing process is essential. The intricacies of regulatory frameworks, disclosure norms, and corporate governance standards are crucial elements that influence the success of SMEs in the capital market. Acquiring knowledge in SME listing and compliances helps entrepreneurs and professionals to navigate these complexities.

AML for Insurance Professionals

[Read more](#)



Effective Anti-Money Laundering (AML) practices are crucial in the insurance industry to prevent illegal activities like money laundering and financing terrorism. By implementing robust AML measures, insurance companies can not only contribute to a safer, more transparent industry, but also promote trust and confidence among clients and stakeholders. This course is designed to equip the insurance professionals with the essential knowledge and skills required to maintain the integrity of financial systems, ensure regulatory compliance, and safeguard their company's reputation.

NISM NEWS

NISM unveils new Logo



NISM Hosts Insightful Talk on Union Budget 2024:

On July 24, 2024, Mr. Kunj Bansal, GM, presented an enlightening session on the Union Budget 2024 at NISM. The talk delved into key aspects of the budget, including its impact on the common man, fiscal policies, and sectors such as real estate, IT, and banking. The session was held at NISM Campus, Patalganga. The session was well-attended and highly interactive. Participants engaged in discussion on the budget's implications, gaining a deeper understanding of its potential effects on everyday life and the economy. The event was a valuable opportunity for staff to enhance their knowledge and share their views on the budget.

Insightful Session on Personal Taxation at NISM:

NISM recently conducted an informative session titled "Personal Taxation - New & Old Options: How to Choose" on July 26 and 29. Led by Mr. Raviraj Singh, CA, Senior Manager - Finance & Accounts, the session offered in-depth guidance on navigating the nuances of both tax regimes, empowering participants to make well-informed financial decisions. The session was held at NISM Campus, Patalganga. The session was highly interactive, providing practical insights into personal taxation. Staff members found the discussion immensely valuable, significantly enhancing their financial literacy and tax planning strategies.

Answer questions of the quiz to win cash prizes.



NISM Newsletter Quiz

Three lucky winners who give all correct answers will be given Cash prizes of **Rs. 1000/-#** each!!!

- Last date to participate is August 31, 2024

#Terms and condition apply.

FOOD FOR THOUGHT – FROM NISM BRAINS

- **Dr. Rachana Baid & Mr. Ajay Tyagi:** "Maintaining regulatory balance" featured in Business Standard on July 14, 2024. [Read more !\[\]\(b6d55d0b173caf9b2505126db01e6158_img.jpg\)](#)

The financial sector in most economies is dominated by banks, especially in emerging markets. Banks play a pivotal role in facilitating different intermediary roles. Besides depositors, investors in bank securities are important stakeholders, and their interests ought to be safeguarded.

- **Dr. Rachana Baid & Dr. V. Shunmugam:** "F&O Frenzy: How SEBI plans to rein in speculators" featured in Financial Express on August 01, 2024. [Read more](#)

The minimum contract size for index derivatives will be increased in phases. Initially, it will be Rs 15 lakh-Rs 20 lakh, and after six months, it will be raised to Rs 20 lakh- Rs 30 lakh. SEBI has proposed steps to address retail traders' speculative trading activities, particularly in the context of increased retail participation and the proliferation of short-duration index options contracts.

- **Dr. Mohd Meraj Inamdar:** "Moderating Role of ESG Disclosures and Its Impact on Firm Financial Performance" featured in Science Direct on July 25, 2024. [Read more](#)

This study underscores the significance of ESG disclosures and their tangible effects on the financial position, firm value, stock valuation, and cost of capital of Indian listed companies. ESG disclosures positively affect firm performance. ESG disclosures can also influence the cost of capital of firms.

- **Ms. Rasmeet Kohli & Dr. Pradiptarathi Panda:** "Missed opportunity of 4 June's correction: The case for tokenising mutual funds" featured in Mint on July 29, 2024. [Read more](#)

Readers may recall the market correction on June 4th, when investors took advantage of the fall in prices and invested lumpsum amounts in mutual fund schemes? However, much to their dismay, they were allotted mutual fund units on the next day, June 5th prices, when markets had recovered around 3-4 percent. Though this problem reportedly affected only 2% of the total transactions, it nevertheless warrants a discussion on the tokenization of mutual funds, which would allow for instant allotment of mutual fund units at the desired prices to the investors. The authors provide a peek into the concept of tokenization, share international experiences in this sphere, and examine its potential impact and implications for mutual funds, with key takeaways for the Indian securities markets.

- **Mr. Mohammed Reyhan* & Dr. V. Shunmugam:** "Tame the wolves of Dalal Street" featured in Economics Times on July 26, 2024. [Read more](#)

A SEBI study revealed that over 70% of retail traders in the intraday cash markets experienced losses, highlighting the risk posed by fake news. Misinformation entices unsuspecting investors into schemes like 'pump-and-dump', leading to significant financial setbacks. Strengthening regulations, educating investors, and fostering media literacy are crucial steps to ensure a secure market environment.

**(Mr. Mohammed Reyhan is a NISM student of PGPISM course 2024-25)*

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