



INDIA REPORT

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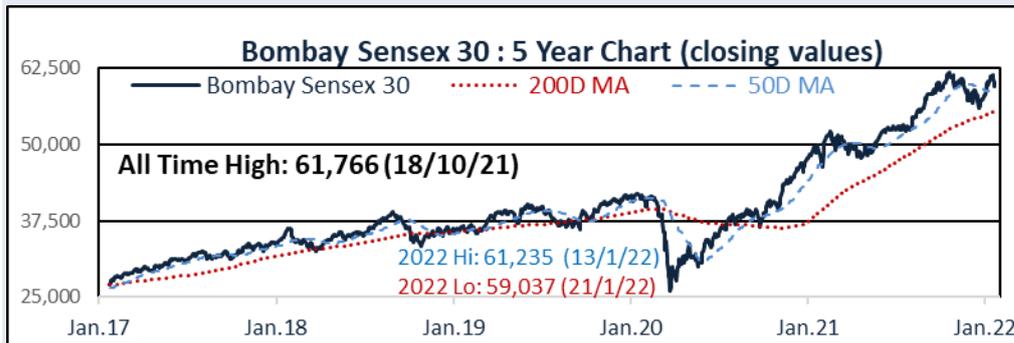


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Source: closing values, chart & following table: Bloomberg

Close:	Level	Index	Pts Chg- Day	% Chg YTD	PE	5 Year PE	
21 Jan 2022					2022/23	Avg	High Low
SENSEX 30	59,037		-427	+1.3%	N/A	21.0	25.4 16.0
NIFTY 50	14,334		-162	+3.0%	N/A	20.9	24.8 15.5

Other Markets: Level & % YTD

ASIA: CHINA Shanghai: 3,523 (-3%)
 JAPAN Nikkei 225: 27,522 (-4%)
 EUROPE: UK FTSE: 7,494 (+2%)
 GERMANY DAX: 15,604 (-2%)
 USA: Dow Jones: 34,629 (-5%)
 GOLD: \$1,832.28 (n/c)
 SILVER: \$24.30 (-5%)
 BRENT OIL: \$84.70 (+12%)

Indian Currency

INR ₹ / USD \$1= Rs74.32 (+0.2%)
 INR ₹ / GBP £1= Rs100.81 (n/c)
 INR ₹ / EUR €1= Rs84.34 (+0.4%)

⇒ **Britain and India's proposed Free Trade Agreement (FTA), which was launched last week, seeks freer movement of goods and people with a deal projected to increase bilateral trade by billions of pounds.** Britain has said the deal could almost double British exports to India, and by 2035 boost total trade by GB£ 28 billion (\$38 billion) per year. Total trade in 2019 was worth GB£ 23 billion, according to British data. Brexit has allowed Britain freedom from the European Union's common trade policy. A trade agreement with India became one of its post-Brexit priorities as the country has strategised trade policy towards faster-growing economies around the Indo-Pacific region. **India and Britain already share strong trade ties, and with over 1.4 million people of Indian origin living in the U.K. they are the largest ethnic minority. 43% of them were born in the U.K. and 38% of the Indian diaspora arrived in the UK before 1981.**

⇒ **Indian trade minister Piyush Goyal and his British counterpart Anne-Marie Trevelyan said they would also launch an "early harvest" or a limited-scope interim trade agreement in the next few months, before finalising the free trade agreement.** "This is an opportunity that we must seize to steer our partnership along the track of mutual prosperity for the decades to come," Trevelyan said. India is seeking greater opportunities for Indians to live and work in Britain, and any trade deal could be contingent on relaxing rules and lowering fees for Indian students and professionals going to Britain. However, Goyal said that sensitive issues will not be an obstacle as both countries will not make them a necessary condition for the trade deal. "Nothing is necessarily a deal-breaker in this agreement," Goyal said. "And I will not think there is any way for anybody to worry about issues which are sensitive to any country, because both sides have agreed that sensitive issues are not our priority," he added. Britain sees a growing Indian middle class with increasing wealth as an attractive market, especially since many Indians enjoy premium British products like Scotch Whisky. **The U.K. also hopes India can become a big customer of its green technology industry.**

⇒ **Earlier this month Indian drugmaker Dr Reddy's Laboratories Ltd launched its generic version of Merck's antiviral COVID-19 pill, molnupiravir, and price it at 35 Rupees (Rs) or (\$0.47) per capsule.**

Molnupiravir works by interfering with the virus' replication. This prevents it from multiplying, keeping virus levels low in the body and therefore reducing the severity of the disease. The overall cost for a patient treated with a 5-day course of 40 capsules of the generic drug, to be sold under brand name 'Molflu', will be up to Rs. 1,400 (\$18.77). In comparison, the treatment with Merck's pill in the U.S. costs \$700. With a view to turn India into a manufacturing hub, Merck has entered into licensing agreements with eight domestic drugmakers, including Dr Reddy's, to make and supply generic versions of molnupiravir to over 100 low- and middle- income countries. **A total of 13 companies in India will make molnupiravir, the country's health minister said.**

⇒ **Indian conglomerate Reliance Industries is to gain a controlling stake for nearly \$100 million in Mandarin Oriental New York, a five-star hotel in midtown Manhattan, through the purchase of Mandarin's Cayman Islands-based parent.** In a stock exchange filing Reliance said its industrial investments subsidiary will acquire Cayman Islands-based Columbus Centre Corp (Cayman) for an equity value of about \$98.15 million. Columbus Centre indirectly owns a 73.37% stake in Mandarin Oriental New York. In case other owners of the hotel elect to participate in the transaction, Reliance's subsidiary would acquire the remaining 26.63% stake, based on the same valuation used for the acquisition of the indirect 73.37% stake. **The completion of the purchase, which would add to Reliance's consumer and hospitality activities, is expected by the end of March 2022.**

⇒ **A report from property consultant Knight Frank said that India's home sales rose strongly last year.** The momentum is to continue and extend to the sluggish office leasing market in 2022. Housing demand across the top eight cities increased 51% and supply rose 58% boosted by decadal low interest rates, affordable prices, tax incentives and shelter-at-home rules, the report added. Office leasing rose 17% as companies, especially from the IT sector, sought to expand. "Given the substantial hiring that has occurred in the IT sector during the year, it is a matter of time before its share in transactions reverts to its longer-term average," said Chairman Shishir Bajjal. **"We expect this pent-up demand to hit the market in the new year."**



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5-YEAR PERFORMANCE OF ASIA PACIFIC/WESTERN EQUITY MARKETS IN LOCAL CURRENCY, US\$ & GB£

- The table below shows 5-year returns (excluding dividends), from 31 December 2016 to 31 December 2021 in local currency and also currency adjusted returns in US\$ and GB£;
- BRIC countries show patchy results compared to developed Western markets;
- NASDAQ (USA) is the overall top performer in the table below, with the US market again standing out with handsome gains;
- In the table below, in Asia Pacific the top 3 performers were Vietnam, Taiwan;
- Japan's Nikkei 225, after languishing in the previous decade, has continued to bounce back well. Especially for US\$ and GB£ investors;
- Among major markets the US, which accounts for nearly 38% of world market capitalisation and is the most liquid of global markets, stood out with very handsome gains. US\$ and GB£ investors anywhere in the world, seeking a very large and liquid market, would have made excellent returns over the last 5 years simply by investing in the U.S. (eg, Index ETFs);
- For UK investors in UK's FTSE100 the gain in GB£ terms was 3% (excluding dividends) over 5 years vs 167% if invested in US's NASDAQ, 110% in Taiwan, 105% in Vietnam, 82% in India, 62% in Holland and 48% in China.

5-YEAR INDEX PERFORMANCE 31 Dec 2016 to 31 Dec 2021	2016 – 2021 5-year %Chg	2016 – 2021 5-year %Chg	2016 – 2021 5-year %Chg
	In local Currency	in US\$	in GB£
BRIC AND ASIA PACIFIC			
BRIC: BRAZIL BOVESPA	+ 74	+ 1	- 7
RUSSIA RTSI\$	+ 18	+ 39	+ 26
INDIA NIFTY 50	+112	+ 93	+ 77
CHINA SHSZ 300	+ 49	+ 62	+ 48
AUSTRALIA 200 INDEX	+ 31	+ 32	+ 20
HONG KONG HANG SENG	+ 6	+ 5	- 3
INDIA SENSEX 30	+118	+ 99	+ 82
INDONESIA JAKARTA COMP	+ 24	+ 17	+ 7
JAPAN NIKKEI 225	+ 50	+ 52	+ 39
MALAYSIA K.L. COMP.	- 5	+ 1	- 7
PAKISTAN KSE 100	- 7	- 45	- 50
PHILIPPINES PSEi	+ 7	+ 4	- 5
SINGAPORE STI	+ 8	+ 16	+ 5
SRI LANKA COLOMBO ALL SHARE	+ 96	+ 45	+ 33
STH. KOREA KOSPI	+ 46	+ 48	+ 34
TAIWAN TAIEX	+ 99	+132	+ 110
THAILAND SET INDEX	+ 8	+ 16	+ 5
VIETNAM STOCK INDEX (VNI)	+125	+125	+ 105
WESTERN			
FRANCE CAC 40	+47	+58	+ 44
GERMANY DAX	+38	+48	+ 35
HOLLAND AEX	+65	+77	+ 62
SWEDEN OMX	+59	+60	+ 46
SWITZERLAND SMI	+56	+74	+ 59
UK FTSE 100	+3	+13	+ 3
US DOW 30	+84	+84	+ 68
US NASDAQ	+192	+192	+ 167

Source: Bloomberg



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