NIVESH

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SRI AUROBINDO COLLEGE
UNIVERSITY OF DELHI

NIVESH EXPRESS

“YOUR GUIDE TO SMART INVESTING: INSIGHTS, TIPS, AND NEWS”

Dear Readers,

Welcome to Nivesh Express, your go-to source for insightful analysis, expert advice, and the latest trends in finance and investment.

In this edition, we delve into key market movements, strategic investment opportunities, and actionable tips to help you navigate the ever-changing landscape of finance with confidence and success.

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stay ahead.**

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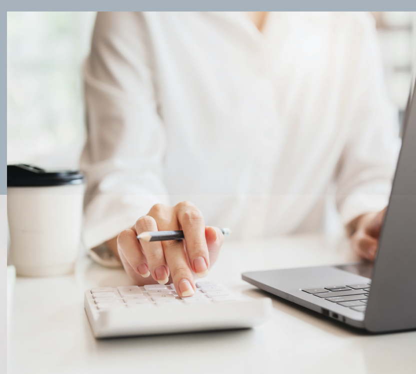


ISRAEL - HAMAS WAR

What effect has the conflict between Israel and Hamas had on your assets, if any?

The Israel-Hamas conflict has captured international attention due to its complex geopolitical nature. Concerns about the influence on international affairs, particularly on financial

Markets and Investments are growing as tensions rise.

The Indian market surged on expectations of a robust start to Q2 results, despite global market signals that bond yields would slowdown. By the end of the first week of the war, the positive news had been slightly ruined by the unexpectedly high US inflation and the associated jump in Treasury yields.

When major countries throughout the world go to war, it has a profound effect on the economy for various reasons including distribution of resources meaning that the majority of resources such as food and money are allocated towards military and relief efforts. Disruption of trade, implying that wars between major trading nations halts international commerce etc.

Moreover, due to the lack of clarity, investors are reluctant to take any chances with their capital, resulting in their capital getting stuck for long durations of time.

Oil prices will be affected by the strain on relationships and the war in the Middle East, this can be certain as the Middle East is responsible for producing 31% of the world's crude oil. OPEC is a Middle Eastern oil cartel consisting of Saudi Arabia, Iraq, Iran, Kuwait, and the United Arab Emirates.

The trade surplus of India with Israel is good for the Indian economy, last year India brought in Rs. 18600 crores worth of Israeli goods and sent abroad Rs. 6800 crores in merchandise. Furthermore, from April to June of the current fiscal year, India bought items total of 7,000 Cr. and exported goods totalling 11,000 Cr.

Year after year, business between Israel and India grows. There was a year-over-year increase of 10.8% in exports to Israel and a year-over-year increase of 9.12% in imports from Israel making them a crucial business partner. The diamond industry of India is also largely associated with Israel. We get crude oil from them and they buy our refined petroleum. Automakers in India supply Israel with imported vehicles. Adding to this, Israel's military hardware is cutting-edge and is one of the major suppliers of India's arms and ammunition needs as Israel supplies us with 13% of our overall defence purchases. Furthermore, 42% of Israel's exports go to India. This means that vital industries like metals, jeweller, defence and agriculture would feel the effects of the conflict.

In conclusion, the Israel-Hamas war affects many different areas and has far-reaching consequences for the world and the economy. The participation of major entities in the region raises the level of complexity, which in turn affects economies and increases uncertainty. As the scenario develops, it may have far-reaching effects on resource allocation, trade disruption, inflation and human capital. Worries over oil prices and trade routes are exacerbated by the fact that the conflict could extend throughout the Middle East. A wary response from investors is possible, and the total impact on economies and markets is likely to be complex and interrelated.

- Bhumika Agarwal
B.com Hons (3rd year)

MS DHONI AS SBI'S BRAND AMBASSADOR

- A tool to attract investments

Appointing MS Dhoni as SBI's brand ambassador could enhance the bank's appeal, leveraging his widespread popularity. However, the direct impact on attracting investments depends on the marketing strategy employed and the perceived alignment of Dhoni's image with financial stability and trustworthiness. Dhoni's credibility and mass appeal could in still a sense of reliability in potential investors, fostering trust in SBI's services. The association might also help SBI reach a broader audience, including those who admire Dhoni but may not have considered banking with SBI previously. The success would hinge on effective communication of SBI's values and offerings through Dhoni's endorsement.

Moreover, Dhoni's association could position SBI as a progressive and relatable choice in the financial sector especially among the youth. The bank could leverage it's persona to communicate modern banking solutions, digital innovations, and customer-friendly services, thereby attracting a new generation of investors.

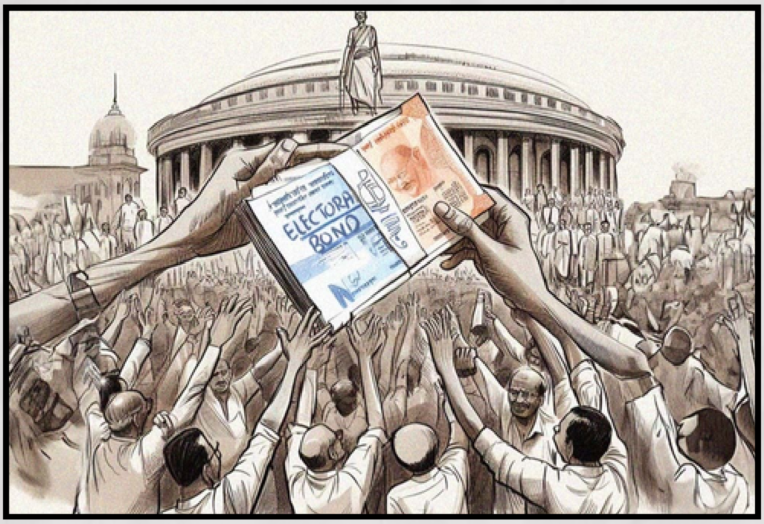
The success of this strategy would rely on maintaining transparency, consistency, and a genuine connection between Dhoni's image and SBI's brand identity.

-Prabhash Tiwari
B.com Prog ,2nd year

The Debate On
ELECTORAL BONDS

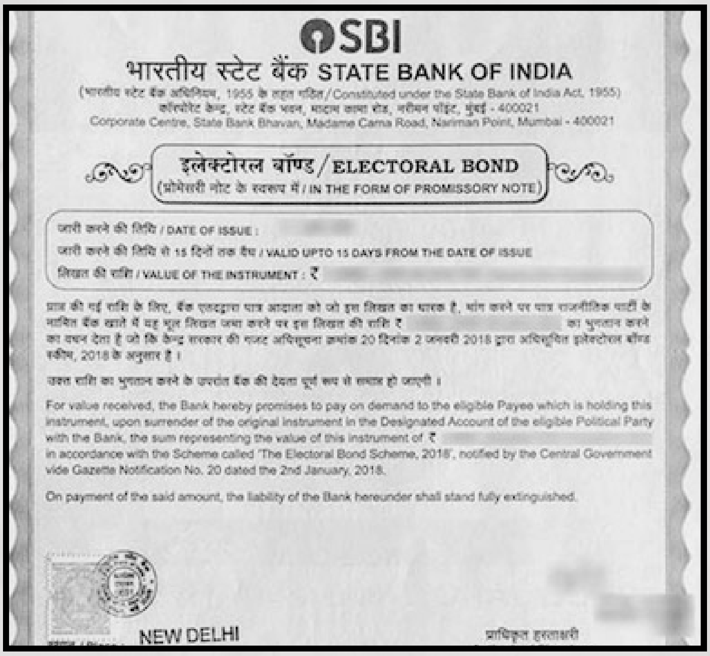
In January 2018, the government of India announced the Electoral Bond Scheme to reform political funding and increase transparency. Electoral bonds are financial vehicles that allow people, businesses and unions to make contributions to political parties, making the fundraising process more transparent and less reliant on cash transactions.

The introduction of electoral bonds aims to reduce the use of cash in political finance while also increasing transparency through digital transactions. The government attempted to address concerns about black money, corruption and the influence of unaccounted monies in the political arena by routing donations through banks and establishing a traceable conduit for the funds.



Several critical processes are involved in the mechanism of electoral bonds. To begin, any eligible entity can buy these bonds from authorized institutions. Once purchased, the bonds can be contributed to the donor's preferred political party. Political parties, in turn, can encash these bonds through their designated bank accounts within a set time frame. The confidentiality surrounding the donor's identity is one distinguishing element of electoral bonds. While the donor's identity is known to the political party receiving the donation, it is not disclosed to the public or any other regulatory authority. Supporters and advocates of this practice believe that this protects contributors' anonymity and minimizes potential victimization or bias based on political membership

The scheme, however has not been without criticism and disagreement. One key source of disagreement is donor anonymity, which some feel undermines the system's goal of transparency. Critics voiced worry that if the sources of political donations are unknown, it will be difficult to hold parties accountable for their financial dealings and any conflicts of interest.



In response to feedback and concerns, the Electoral Bond Scheme has been revised and amended.

According to the administration, the plan achieves a balance between donor privacy and the necessity for transparency in political fundraising. It is still a topic of discussion, with ongoing efforts to modify and improve the system in response to the challenges and critiques it has received.

In conclusion, electoral bonds represent a fresh method of political fundraising in India, seeking to modernize and increase transparency. The scheme's effectiveness is dependent on striking a delicate balance between donor privacy and ensuring the public's right to transparency, making it a dynamic and evolving component of India's political and financial environment.

- Adarsh Raj & Keshav
(BEST AUTHOR)
B.com Prog (1st year)

HDFC'S NOSE DIVE

It's Implications on Nifty

HDFC Bank surprised experts by announcing a 33% increase in net profit when it released its October-December quarter results for fiscal year 2023-24 (Q3FY24) earnings on January 16. With gross advances reaching 24,693 billion as of December 31, 2023—a 62.4% rise over the previous year—the Q3 data indicated a system loan growth of roughly 15-20%. As of December 31, 2023, total deposits stood at 22,140 billion, up 27.7% from the previous year. CASA deposits increased by 9.5%, while time deposits increased by 42.1%. Consequently, CASA deposits accounted for 37.7% of total deposits.

- 33% Net Profit
- 62.4% Gross Advances
- 27.7% Total Deposits
- 37.7% CASA

For the quarter, net interest income (NII) increased by 24% compared to the previous year. But the core net interest margin (NIM) on total assets fell to 3.4% from 3.65% in the prior quarter, which led to a sell-off and a 6.7% loss in HDFC Bank's shares on the NYSE and an 8.16% decline in the Indian stock market. The US-listed shares saw a further decrease the next day, plunging 9.1%.

For the quarter, net interest income (NII) increased by 24% compared to the previous year. But the core net interest margin (NIM) on total assets fell to 3.4% from 3.65% in the prior quOn January 17, the Nifty 50 and the Sensex experienced their biggest percentage loss in a single day since June 2022. This event was mostly due to a significant drop in HDFC Bank's share price after the Q3 earnings. A series of events in the market were triggered by the nearly 8% decline in HDFC Bank's stock price to Rs. 1450. Other large banks, including Kotak Mahindra Bank and Axis Bank saw drops of 3.76% and 3.43%, respectively, while the Nifty Bank index finished 2,060.65 points lower at 46,064.arter, which led to a sell-off and a 6.7% loss in HDFC Bank's shares on the NYSE and an 8.16% decline in the Indian stock market. The US-listed shares saw a further decrease the next day, plunging 9.1%A persistent source of concern for HDFC Bank over the past few quartershas been the declining net interest margins (NIM), which further declined to 3.4% in the Q3 results..

The necessity of addressing this issue was stressed by the bank. HDFC Bank's solid capital position, revenue and cost savings from the HDFC merger, and best-in-class asset quality continue to give analysts and fund houses a favorable long-term view, despite the disappointing short-term reaction from the market.

The latest merger has increased its size to compete with global majors. Both a rapid shift in market share from public to private sector banks and an ambitious branch expansion strategy support the bank's growth prospects and position HDFC Bank as one of the healthiest banks.

-Aditya Biju ,
B.com Prog ,2nd year

MUTUAL FUND

Key things you should check before investing in mutual funds

A mutual fund is an investment fund that pools money from many investors to purchase securities. In the dynamic landscape of financial markets, mutual funds remain a popular choice for investors seeking diversification and professional management of their assets. However, before diving into the world of mutual funds, it's crucial to conduct a thorough evaluation to ensure informed decision-making.

Investing in mutual funds is a momentous task which requires proper research and skill. The first step concerned with investing in mutual funds is assessing your financial goals and risk tolerance. Once you are done with the introspective process of analysing your own goals and risk tolerance capacities, then you move on to understanding your investment objectives—whether it's wealth accumulation, retirement planning, or a shorter-term goal—will guide your fund selection.

"GROW YOUR WEALTH WITH EVERY DIME, CHOOSE THE PATH OF THE MUTUAL FUND CLIMB"

Additionally, acknowledging your risk levels of every objective and comparing them with you risk tolerance levels is vital, as it determines the mix of funds in your portfolio.

Researching the fund's historical performance is essential. Past performance doesn't guarantee future results, but it provides insights into a fund's consistency and management effectiveness. Past performance reveals many secrets about the fund and helps you make informed decisions on the basis of your personal needs. Moreover, you need to consider the fund manager's track record and experience. A skilled and experienced fund manager is more likely to navigate market fluctuations successfully. Review the fund's expense ratio as well; lower expenses can contribute to higher returns over time.

Diversification is a key risk management strategy. Ensure your portfolio is diversified across different asset classes and industries to mitigate risks associated with market volatility.
While diversification can help manage risk, it doesn't guarantee profits or protect against all losses. Additionally, periodic review of the portfolio and adjustments may be necessary to maintain the desired level of diversification over time.

Lastly, stay informed about the economic and market trends. Keeping abreast of news and developments helps you make timely decisions and adjust your portfolio accordingly. Also, be informed about the potential risks and rewards of mutual fund investments.

In conclusion, successful mutual fund investing involves careful planning and continuous monitoring. By considering these key factors, investors can make well-informed decisions aligned with their financial objectives and risk tolerance.

KNOW IT ALL

> if you have invested in a scheme which does not suit your risk profile and investment objectives, get rid of it.

> Choose a fund house that has been in asset management business for long with a pre-emptive fund manager.

> Alpha is often considered to represent the value that a portfolio manager adds or subtracts from a fund portfolio's return.

-Riya Wadhwa (General secretary), B.com Hons (3rd year)

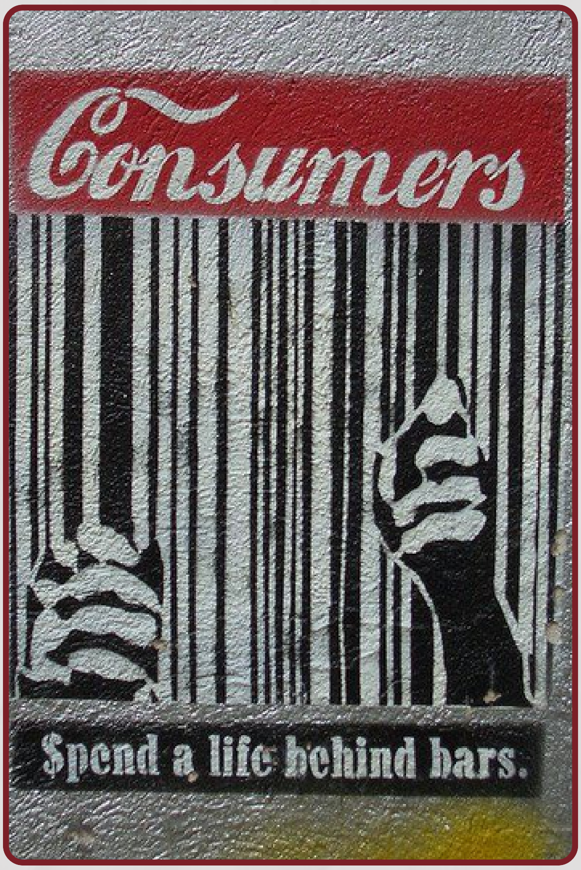
THE ALLURING GRIP OF IMPULSE BUYING

A Financial and Psychological Conundrum

Finance, on the other hand, focuses on the management of money, encompassing concepts such as investing, savings, and debt management. This connection between the two disciplines is evident in the realm of impulse buying, defined as the unplanned and often emotionally driven purchase of goods or services influenced by a blend of psychological factors.

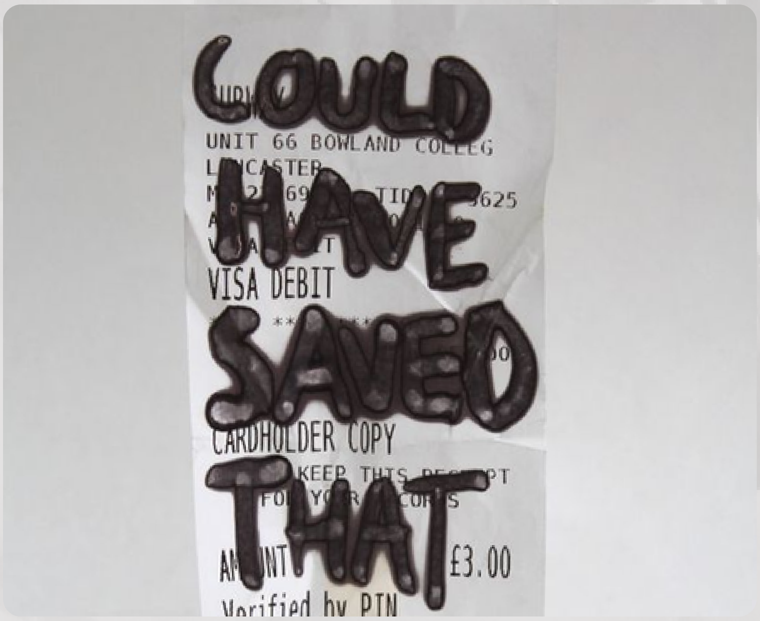
In the complex realm of finance where rationality and prudence reign supreme, emerges a contradictory force called Impulse Buying. This captivating phenomenon, deeply rooted in human psychology, has the power to derail even the most carefully crafted financial plans therefore it is important to understand this web of Psychology and Finance.

While these two disciplines may seem disassociated, they are intricately intertwined. Psychology probes into the depths of human behavior, exploring the emotions, feelings, and decision-making processes that shape our actions.



Emotional triggers, such as boredom, stress, and excitement can trigger a cascade of cognitive biases, leading to irrational decision-making and a disregard for financial consequences.The psychology behind impulse buying is deeply rooted in human emotions. The allure of instant gratification, the desire for social validation, and the pursuit of self-satisfaction often fuel impulsive purchasing decisions. Marketers, deeply aware of these psychological keystones, employ a variety of strategies to tap into these emotions and influence consumer behavior in the economy.

The financial implication of Impulse buying can be substantial, the unplanned purchase of things can deplete savings lead to overspending, and increase the risk of debt. The emotional satisfaction derived from these impulsive purchases often fades quickly, replaced by regret or financial strain.



These patterns can hinder long-term financial goals, such as saving for retirement or purchasing a home. To break free from the grip of impulse buying, individuals can implement effective strategies such as creating a budget and tracking expenses, using expense tracker apps to set a monthly budget, and tracking their daily expenditures. Implement a cooling-off period, delayed gratification allows for rational decision-making, reducing impulsive purchases. Limit exposure to marketing that promotes impulse buying. Setting cash or spending limits. These strategies, besides others, can be very useful in helping an individual tackle impulse buying and inculcate financial responsibility.

In conclusion, the intricate interplay between Finance and Psychology is large in the context of impulse buying. Recognizing the psychological foundation of this behavior is the first step towards breaking free from its grip. Through the strategic deployment of financial acumen, including careful budgeting and intentional decision-making, individuals can navigate the maze of fiscal challenges with proper understanding and grow in their respective financial journeys.

Rasik Gupta, (PR Sub Head) 2nd YEAR, B.A. (COMMERCE+ ECONOMICS)

DEPT TRAP - THE NEW FASHION

-Including Busting The Myth of No-Cost EMI

In the era of instant gratification, the concept of "Buy now, Pay later" has become increasingly prevalent. One such popular trend is the "No-Cost EMI" scheme, a financial boon for those wanting to indulge in the latest trends without burning a hole in their pockets. The "No-Cost EMI" marketing strategy has gained immense popularity among youth.

In recent years, the term 'debt trap' has become increasingly popular in the Indian financial context, given the increasingly easy access to credit and many people find themselves struggling to pay off their debts and end up in a situation where they cannot meet their basic needs. A debt trap refers to a situation where an individual or a company borrows money but is unable to pay it back, often leading to a cycle of borrowing more money to repay old debts, resulting in a never-ending cycle of debt. Debt traps can happen to anyone, regardless of their financial status, and can be caused by various factors.

THERE ARE SEVERAL REASONS WHY PEOPLE FIND THEMSELVES TRAPPED IN DEBT. ONE OF THE MAIN REASONS IS OVERSPENDING. PEOPLE SOMETIMES SPEND MORE THAN THEY EARN, WHICH RESULTS IN THE HAVING TO TAKE LOANS TO MAINTAIN THEIR LIFESTYLE ANOTHER MAJOR REASON IS UNFORESEEN EMERGENCIES OR UNEXPECTED EVENTS LIKE A MEDICAL EMERGENCY OR A JOB LOSS, WHICH CAN RESUT IN INDIVIDUALS TAKING ON DEBT TO COVER THEIR EXPENSES.

At first glance, the promise of purchasing a product for several months without incurring any interest seems like a win-win situation for consumers. One of the key myths surrounding "No-Cost EMI" is the absence of interest. In reality, the interest is often absorbed by the seller or manufacturer, but the catch lies in the product's overall cost. To compensate for the absorbed interest, sellers may inflate the product's original price, leaving consumers unknowingly paying more than the item's actual worth. The ease of availing of these schemes may encourage impulsive buying behaviour. Consumers, enticed by the prospect of deferred payments, might overlook their financial capacity to repay, leading to a spiral of accumulating debts.Credit cards have become an integral part of our financial lives, offering convenience, rewards and the promise of turning our dreams into reality with a simple swipe. Among the various credit card perks, 'No Cost EMI' stands out as a particularly exciting option. At first glance, it appears to be a fantastic deal, allowing you to purchase expensive ems without incurring any interest charges, without paying the whole amount upfront from your savings.

'No Cost EMI' is a seemingly appealing offer that can lead to a financial pitfall that is challenging to escape. To avoid falling into the debt trap, consumers must approach "No-Cost EMI" schemes with a critical eye. It is essential to compare the total cost of the product under the scheme with its actual market value. Additionally, individuals should assess their financial capacity to commit to the repayment schedule, considering unforeseen circumstances that may impact their ability to make future payments. My personal experience with 'No Cost EMI' serves as a cautionary tale. The allure of 'No Cost EMI' is undeniable, promising a shortcut to owning the things we desire without immediate financial strain and can easily turn into a debt trap. By heeding these lessons, you can handle credit card offers with greater wisdom.

Your financial well-being is worth the effort and vigilance, and it starts with making informed choices today.

-Priya Kapur (Vice President), B.com prog. 3rd year

What are the best ways to promote financial inclusions in India ?

According to me it’s digital banking which could be encouraged through mobile , wallet and internet banking etc. Apart from it we can go for financial literacy i.e. educating people about financial services and how to use them effectively. Moreover we can go for government initiatives like jan dhan yojana which aims to provide access to financial services for all.

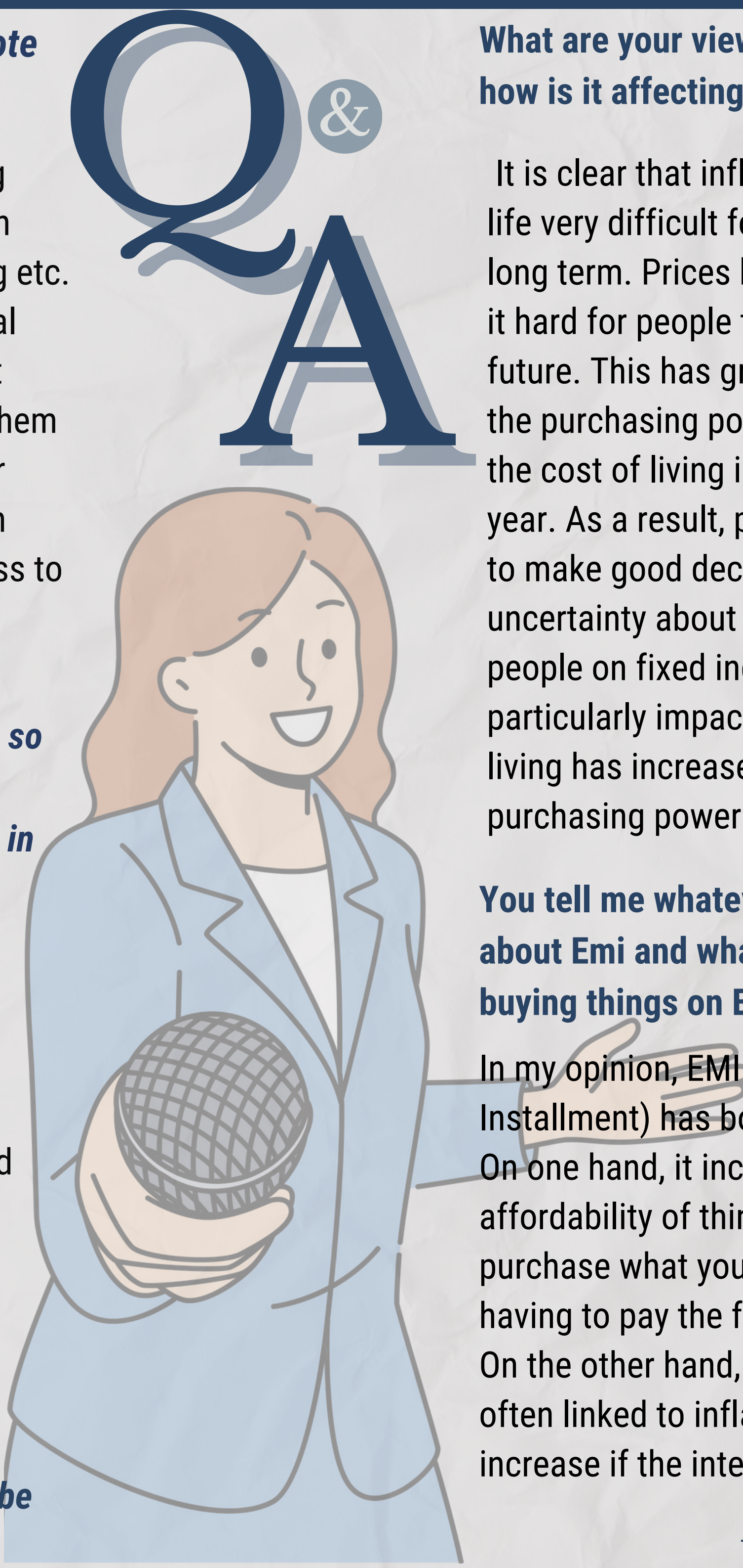
There could be challenge for it too so what do you think what could the challenges for financial inclusions in India?

In my view illiteracy or low rates of literacy is one of the major challenges for understanding of financial services in India. Moreowver gender disparities could also be one of thereason even in 21st century we witness a lot of women oftenfacing obstacles in accessing financial services and managing their finances.

Do you think this disparities could be removed if we operate these initiatives properly?

Yes, I think so..

-Sankritya singh, 2nd year



What are your views on inflation and how is it affecting the citizens?

It is clear that inflation has made life very difficult for people in the long term. Prices have risen, making it hard for people to save for the future. This has greatly decreased the purchasing power of people and the cost of living is increasing every year. As a result, people are unable to make good decisions, and there is uncertainty about the future. Retired people on fixed incomes are particularly impacted, as the cost of living has increased and their purchasing power decreased.

You tell me whatever you know about Emi and what are ur views on buying things on EMI?

In my opinion, EMI (Equated Monthly Installment) has both pros and cons. On one hand, it increases the affordability of things, allowing you to purchase what you need without having to pay the full amount upfront. On the other hand, interest cost is often linked to inflation and can increase if the interest rates rise.

-Mahim sharma, 3rd year

Dear Readers,

We are delighted to present to you a collection of insightful interviews conducted by the members of the Nivesh- Finance and Investment Cell of Sri Aurobindo College. These interviews serve as a platform to capture the diverse perspectives of our fellow students on various finance-related topics. Through these discussions, we aim to foster a deeper understanding and appreciation for the intricacies of finance and investment in today’s dynamic world.

Have you heard of Mutual Funds?

Yes, I have

Can you tell me a little bit about it along with some benefits?

Yes, a Mutual Fund is an investment fund that normally pools money from diverse investors and then uses it to buy securities like stocks, bonds, and short-term debts First of all, it is obvious that it involves great risk but at the same time it has been noticed that it gives a high rate of interest, and with that tax, saving is also there, if we invest in mutual funds then it provides the tax reduction benefit, one more and most important is the power of compounding.

Can you to tell me a little about the power of compounding ?

Sure, the Power of compounding is also known as compound interest. it is the capability of investment to generate earnings on the interest earned and these earnings when reinvested can be used to generate additional earnings.

So,I only have one last question for you now. Have you ever invested in mutual funds?

Well, not yet but I'm planning to do so in the coming days.

-Anushka Shukla, 1st year

Do you have any idea about cryptocurrency?

Yes, I have

Great, so can you tell me a little bit about it ?

Cryptocurrency is a digital and virtual type of currency that uses cryptography as a security and it operates on technology known as block chain technology.

Have you ever invested in it? What are your thoughts on the future of cryptocurrency?

I have not but I am planning to invest in crypto by seeing its increasing future. What I believe personally is that cryptocurrency has a very good future and it has shown a significant amount of growth and will continue to rise in the future.

-Abhiraj singh, 1st year

What do your mean by investing?

Investing is the process of buying assets that increase in value over time and provide returns in the form of income payments or capital gains. In a larger sense, investing can also be about spending time or money to improve your own life or the lives of others. But in the world of finance, investing is the purchase of securities, real estate and other items of value in the pursuit of capital gains or income.

According to you what are the different options for investing?

There are very different options for investment like indexes, SIP plans, mutual funds, stocks, etc.

Are you investing in any of these right now?

Yes, I have invested in the stocks of different companies . I am also applying for the IPOs of newly launched companies so that I can get a better premium.

Why do people generally face loss in investing and what are your opinions to avoid that?

Because of the lack of portfolio diversification knowledge . They do not prepare their portfolios properly and don't know how to examine the balance sheet of the company properly .
That's why they face losses in their portfolio.

-Manan,
1st year

Do you live in PG?

Yes, I do live in PG.

Then according to you what is the perfect bifurcation of managing money ?

In my opinion the golden rule of 50 , 30 and 20 works great in utilizing money which I prefer too as I spend 50% of money for daily uses , 30% of it for my luxuries and 20% of which is for my savings.

So for your expenses , do you prefer to use UPI?

No , I don't use that mode of payment.

But why?

I personally don't think it as save for using because I witnessed many cases of scams through even in my family and friends group, moreover through it we don't think before spending money flows out of our pockets in just a seconds.

-Prerna,
2nd year

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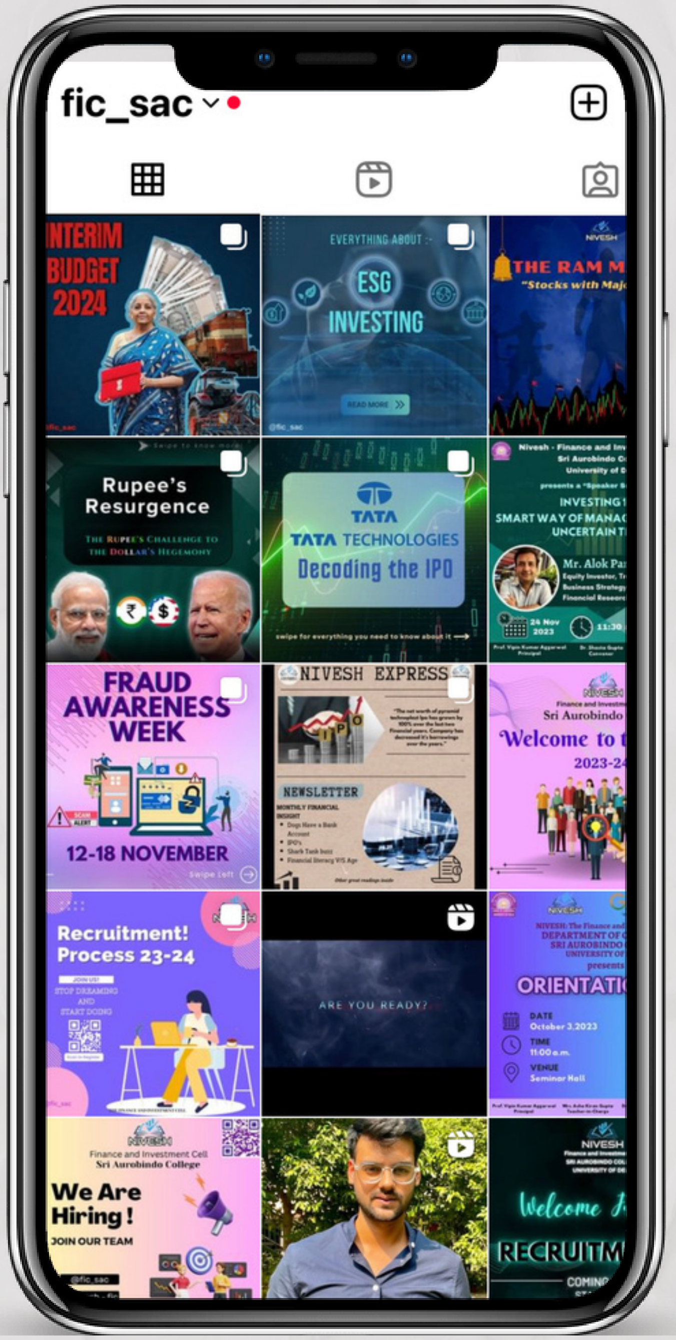

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