

INDIAN

STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS

**STOCK
MARKET
OUTLOOK**

**Stock To
Bet On**



Enhancing Your Investment With Muhurat Trading!

- ↓ **NHAI Raises Funds through Infrastructure Investment Trusts**
- ↓ **Understanding Stock Analysis With Machine Learning**
- ↓ **New Digital Currency And It's Role In Settling International Trade**
- ↓ **Everything You Need To Know About An ETF?**
- ↓ **Understanding Stock Split: Know How It Works**



From The CEO'S Desk

INDIAN STOCK MARKET JOURNAL

Special Edition | October 2022

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ISMJ, October Issue

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Full efforts has been made to ensure the authenticity and accuracy of the contents of the Yearbook, but we do not accept any liability for the errors if committed and the subsequent loss arising from the same, but we will make sure that the errors if occurred are recited and minimized in future editions and also would welcome the readers feedback.

We welcome your comments and suggestions for our future editions to make it more helpful month after month.

Dear Readers,

Among many things happening in the nation, the quiet awaiting timings for Muharat Trading caught all the attention. As the notification was released, all the investors and traders were looking forward to it. We also have the timings and their impact in this edition of ISMJ.

It has brought you the Stock market analysis with Machine Learning. The edition also discusses the Funds raised by NHAI through Infrastructure Investment Trusts. Also, in the edition, we discussed New Digital Currency and its role in Settling International Trade.

Along with all the topics deemed the future of markets, we also bring you Stock Market Outlook and how Nifty and Bank Nifty are expected to move in the upcoming months. Hope you learn and grow.

We would like to thank you for appreciating our previous editions with your kind words. We would love to have your continuous feedback to improve our work. Please feel free to write to us at support@equitypandit.com.

Happy Investing!

Abhishek Parakh
CEO & Managing Director
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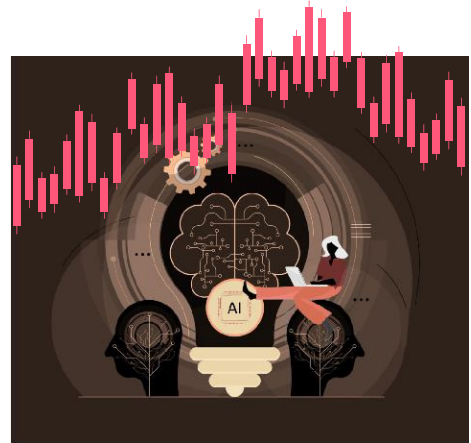
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Stocks to Bet On



Stock Market Outlook



NIFTY

Nifty 50 Index, 1W, NSE O17094.35 H17280.15 L16950.30 C17009.05 -305.60 (-1.76%)
 EMA (20, close, 0, SMA, 5) 17110.23
 EMA (9, close, 0, SMA, 5) 17249.92
 EMA (100, close, 0, SMA, 5) 15929.71

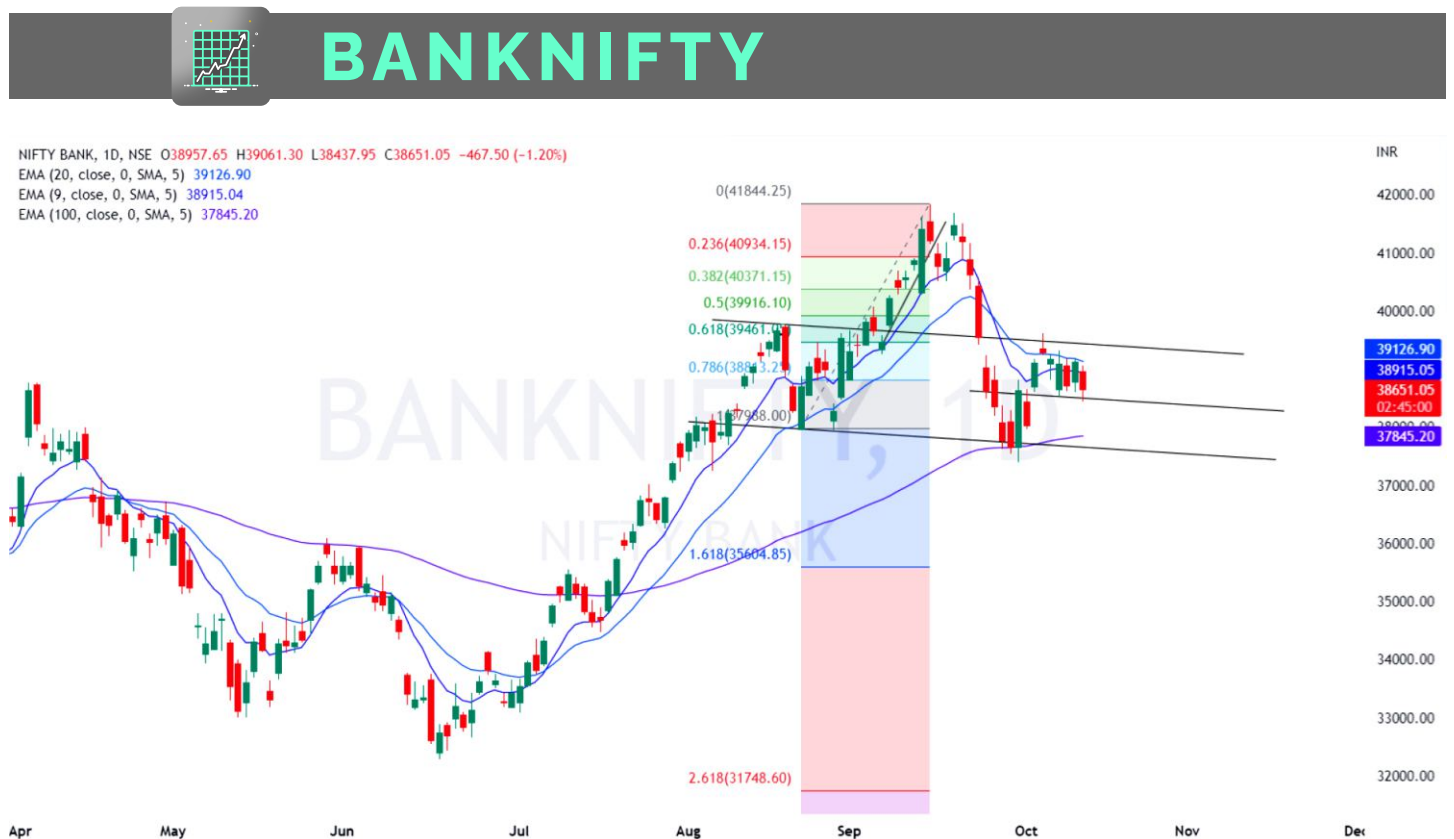


In the previous week, the Nifty index consolidated with negative bias and remained largely bearish. Bear dominated domestic markets as the indices moved in

tandem with developments in the global markets. From a technical perspective, the weekly chart shows that the NIFTY still rules below the important falling trend

line support level. This falling trend line begins from the lifetime high point of 18604 and joins the subsequent lower tops. The index has slipped below the short-term 9 EMA and 20-EMA support on the weekly timeframe. Apart from this, the NIFTY trades below all short-term key Moving Averages on the daily time frame charts.

The present structure of the weekly charts makes the zone of 16,850 a strong support zone for the markets. For the past few weeks, this zone stays defended on a closing basis. Below the same, Nifty would fall to 16645 and 16300 levels. Nifty has an immediate hurdle of 17300. On the bounce of 17300, the Nifty can climb to the level of 17600.



The rally leader, Bank Nifty, witnessed a range-bound trade in the past few sessions. Head and Shoulder formation is under construction on a daily time scale. Currently, an index is moving towards the right shoulder of the said pattern. For the coming weeks, the markets may find resistance at 39230-39460 levels.

Above this, we can expect a rally towards the 39900-40370. On the downside, 37980 will act as a strong demand zone. A break below the same will indicate incremental weakness in the index. The present texture of the markets has grown both stock-specific and defensive. Use the same approach in the coming sessions.

UPCOMING TRADING HOLIDAYS



DUSSEHRA

October 05, 2022
Wednesday

DIWALI-LAXMI PUJAN

October 24, 2022
Monday

DIWALI-BALIPRATIPADA

October 26, 2022
Wednesday



ENHANCING YOUR INVESTMENT WITH MUHURAT TRADING!



A MOMENTARY STANCE OF DIWALI

The globe contains varied traditions, cultures, customs, dialects, and beliefs. Among the countries, India is the most diverse country. The Indian calendar consists of many festivals; among those festivals, Diwali is one of the most auspicious and illuminating ones. Diwali is like every other religious holiday, surrounded by a multitude of beliefs, rituals, and traditions. Thus, here comes one such custom called Muhurat Trading. This article deals with all the factors you need to be familiar with Muhurat Trading. As per the Hindu calendar, the word Muhurat refers to an auspicious time. Events done during this time are considered to be fruitful. Muhurat trading stands for trading in the Indian stock Market on the auspicious occasion of India's largest festival Diwali. On Diwali, Muhurat trading is an hour of auspicious stock market trading. It is a symbolic and ancient ritual that the trading community has observed for centuries. Since Diwali marks the beginning of the Hindu New year, Muhurat trading on Diwali will bring money and prosperity for the rest of the year. Usually, Investors and traders get notification of the non-scheduled trading hour by stock market exchanges.

It is a one-hour session that begins in the evening around Diwali Muhurat for Laxmi Poojan.

On this day, the two groups, Gujaratis and Marwaris, who dominate India's the trade and commerce, are known for worshipping account books and cash. Before the usual, stockbrokers undertake 'Chopra Poojan,' which refers to worshipping account books at the stock exchanges. Except in India, this ritual cannot be observed somewhere else.

HISTORICAL UPBRINGING OF MUHURAT TRADING



Since 1957, Diwali Muhurat Trading has been apprehended on Asia's oldest stock market, the Bombay Stock Exchange (BSE), and since 1992 on the National Stock Exchange (NSE). Investing on this day is an ancient ritual preserved and observed by the trade community for centuries. Purchasing a few shares on this

occasion is believed to bring Goddess Lakshmi's blessings for the rest of the year. It is a common belief that shares purchased on this day are supposed to retain and passed on to the upcoming generation. The Diwali Muhurat trading session sends two distinct messages to investors: invest for the long term and concentrate on quality.



MUHURAT TRADING 2022

Muhurat trading goes live on NSE and the occasion of Diwali attracts both existing and new investors who intend to

invest. The complete schedule for the one-hour Muhurat trading session of NSE for the year 2022 is given below:

NSE Diwali Muhurat Trading is scheduled as

Event	Start Time	End Time
Block deal session	17:45 hrs	18:00 hrs
Pre Open*	18:00 hrs	18:08 hrs
Normal Market	18:15 hrs	19:15 hrs
Call Auction Illiquid session *	18:20 hrs	19:05 hrs
Closing Session	19:25 hrs	19:35 hrs
Trade Modification cut-off time	18:15 hrs	19:45 hrs

* Random closure in last one minute



HOW DOES IT ACTUALLY WORK?

This one-hour trading session is such hype in the market; you must be curious to know how it works. The Muhurat trading session is different from regular trading sessions. There must be many questions wandering in your head. In this

section, you'll learn things related to this trading session. On Diwali Poojan, the NSE and the BSE allow trading for a limited period. Usually, the Muhurat trading time is classified into the following sessions:

Pre-Open Session

This session lasts for about 8 minutes, and during this session, the stock exchanges determine the equilibrium price.

Muhurat Trading Session

This session can last for an hour, and in this particular session, real trading takes place where investors buy shares from a range of companies available.

Block Deal Session

In this session, two parties decide to buy or sell shares at a fixed price and inform the respective stock exchanges about the same to conclude a deal.

Auction Call

In this session, Illiquid securities (securities that satisfy the set criteria of stock exchanges) trading is done.

Closing

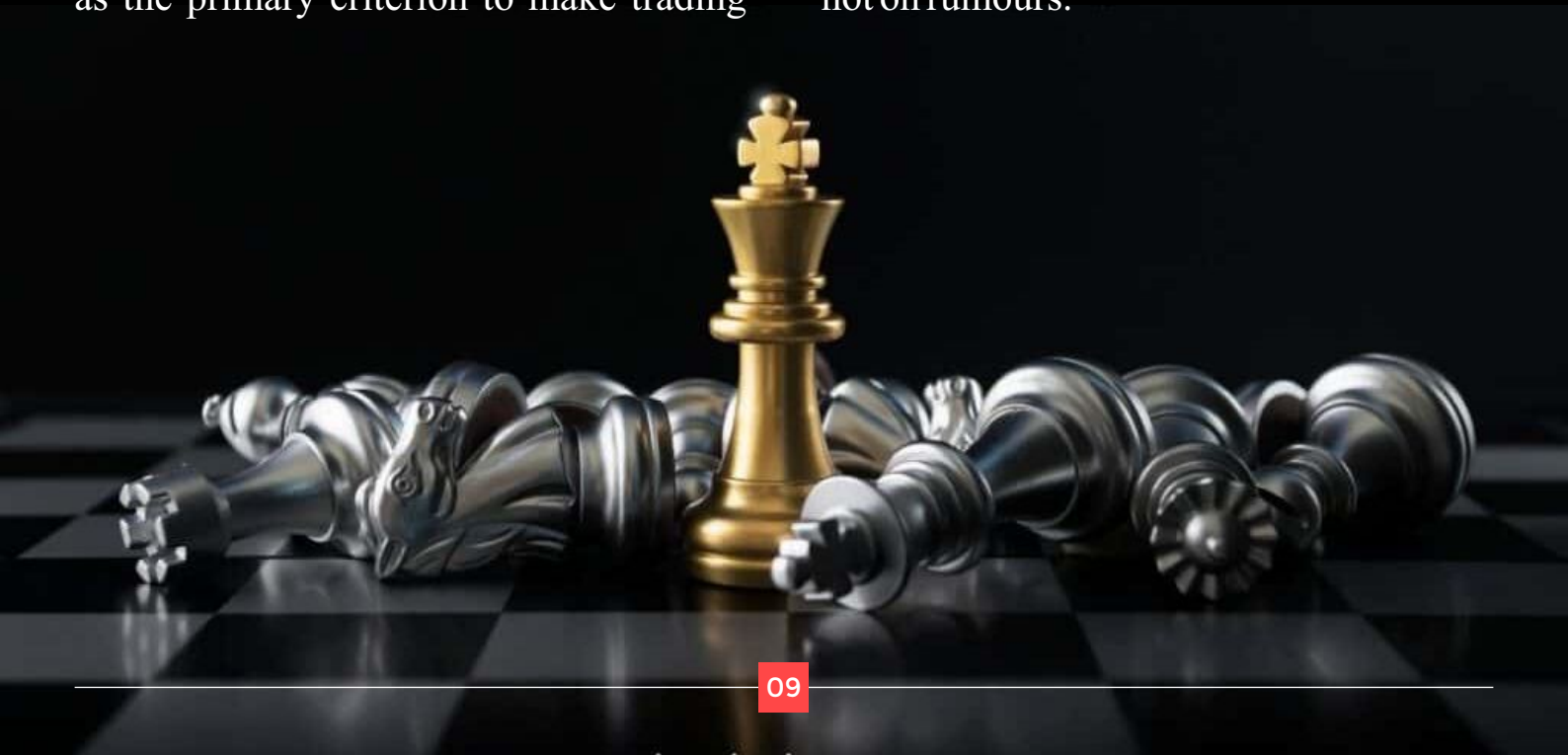
The final part of the Muhurat trading is closing, in which investors can place an order on the final price.

WHAT TO CONSIDER WHILE INVESTING?

For investors, Muhurat Trading can be advantageous. Consider the Stock Market as a game; the only strategy to win in this game is predicting based on proper analysis of charts and figures. At the end of the trading session, there will be settlement obligations for all open positions. Most traders and investors find this period an excellent time to invest as the trading window is just for one hour. Hence, if you want to benefit from volatility, ensure that you select high-volume securities. The markets remain turbulent during the Muhurat trading period, with no discernible direction. As a result, using resistance and support levels as the primary criterion to make trading

decisions can help you to make a better high-profit-yielding decision. Investing during this time does not ensure a guaranteed profit. During this time, the company can perform either great or deteriorate. To determine the impact, in the long run, you need to check on its fundamentals and other factors.

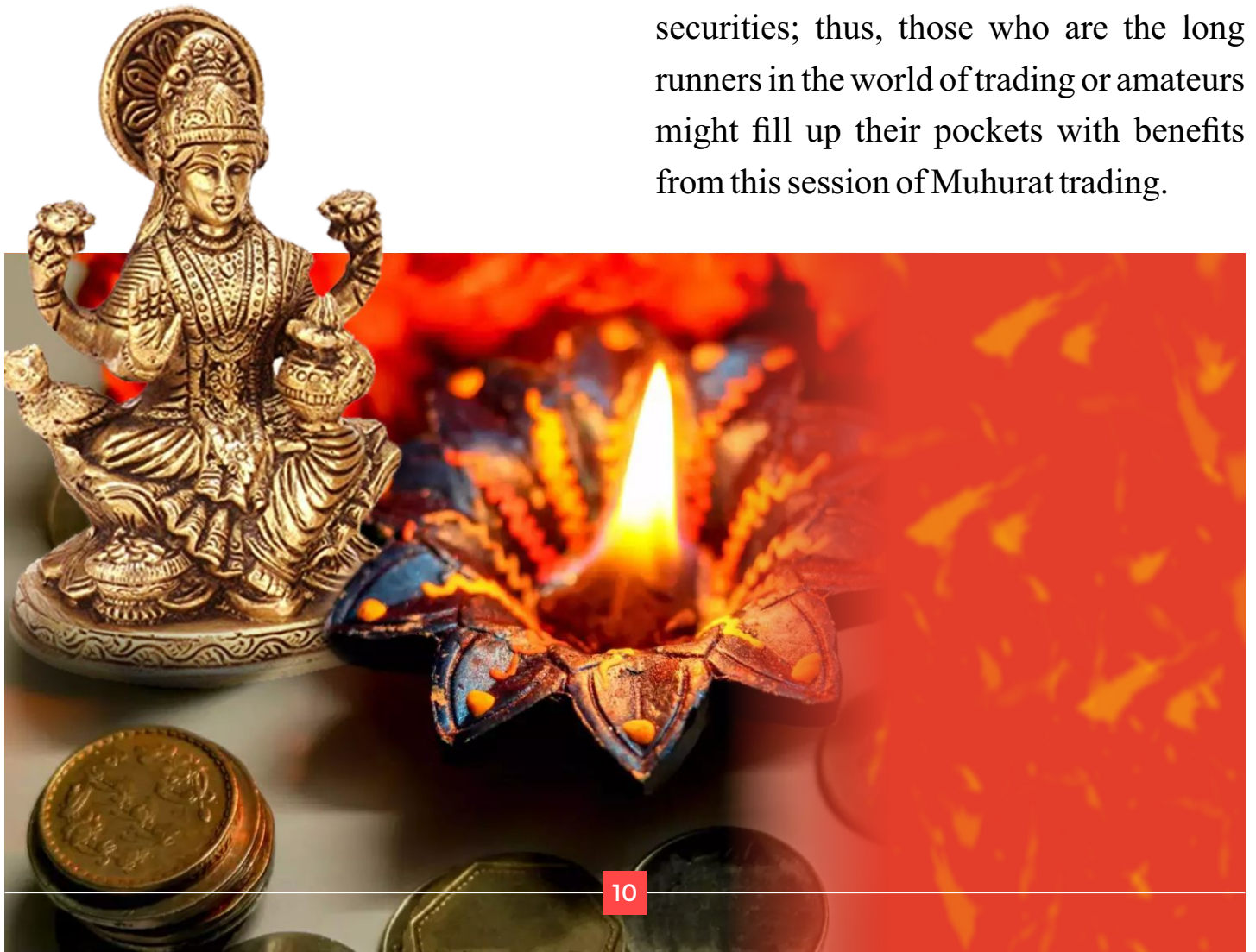
Another consideration before investing in a company's stock for the long term is to learn about the company's fundamentals. A high level of excitement usually characterises muhurat trading sessions, and social media can be used to spread rumours easily. So make sure to make a clever decision based on your research, not on rumours.



'THE FRUIT OF INVESTING' IN MUHURAT TRADING

Since the trading volume during the Muhurat trading session remains high, it is an excellent opportunity to purchase or sell securities to make a profit. Additionally, the market during the festive atmosphere reflects positive growth and encourages people to have a positive attitude towards the economy and market. Henceforth, the Diwali Muhurat benefits investors and traders, whether they are new or amateur. For newbies, it is recommended to look for high-quality businesses with long-term vision and

invest in certain stocks, following investing strategy. In case you wish to invest during the Muhurat trading, it is highly recommended to monitor stock market trends during Diwali trading and practice on paper to acquire an experience for the market. During this time, the Muhurat trading market is known to be erratic because of just the one-hour trading window availability. As a gesture to acknowledge the auspiciousness of the day of Diwali Poojan, most Traders or investors would purchase or sell securities; thus, those who are the long runners in the world of trading or amateurs might fill up their pockets with benefits from this session of Muhurat trading.



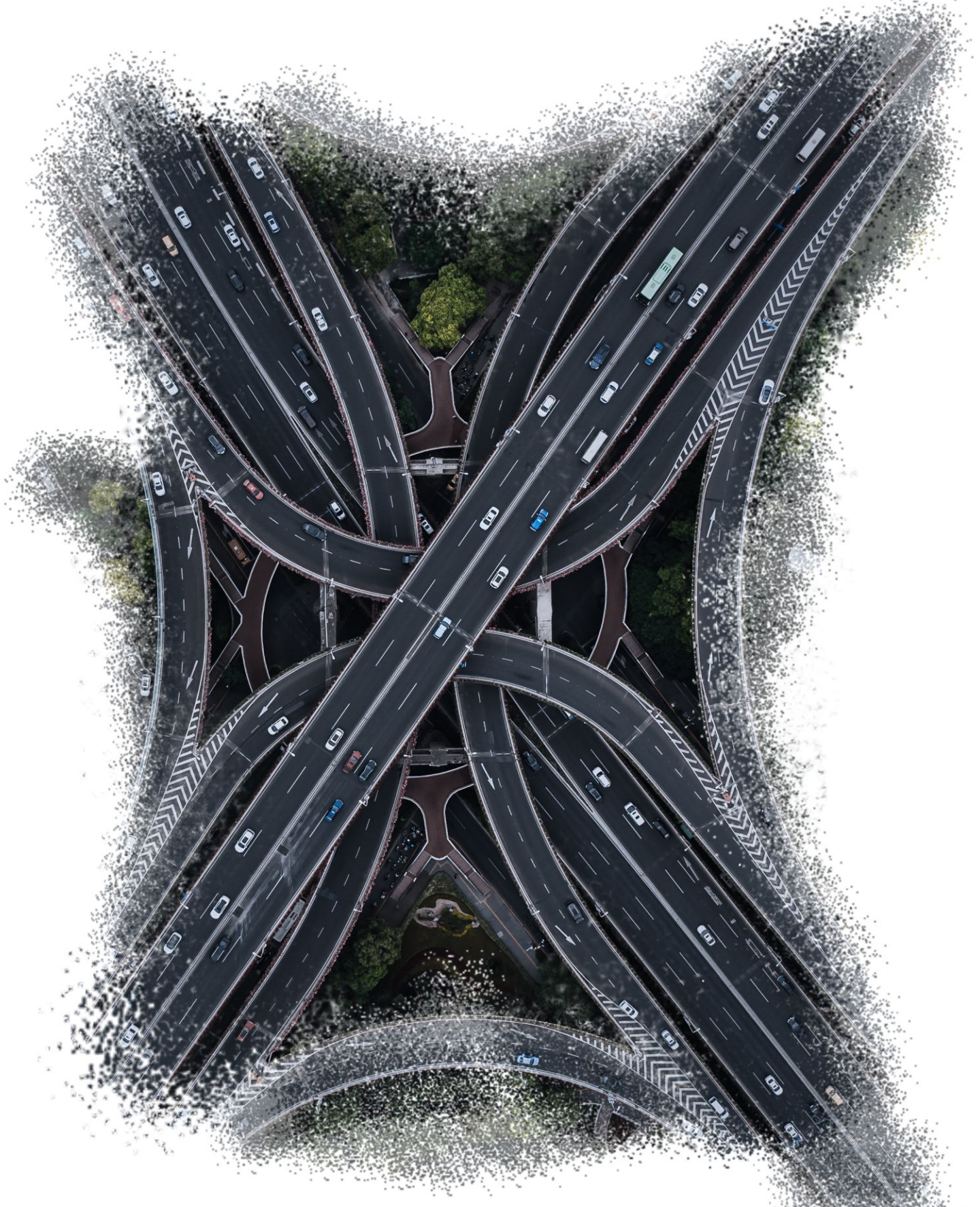
WAY FORWARD

Diwali is not just only a festival of lights, sweets, and firecrackers; it is also a time when you can take advantage of a variety of opportunities. Among those opportunities, Muhurat Trading is merely another Diwali tradition, and is one such opportunity that awaits to be seized.

To have future security in hand, it is a good opportunity for every beginner investor to acknowledge the importance and start investing basically, just like Shri Ram spent 14 years in the Jungle. He later became the King of Ayodhya, defeating Ravana and winning the glory of India. Wishing you all a Glorious Diwali, along with best wishes for Muhurat Trading. Happy Investing!



NHAI To Raise Funds through Infrastructure Investment Trusts





The National Highways Authority of India (NHAI) has said it would be approaching the capital market this month to raise funds to build roads. It is believed that close to Rs 10,000 crore is to be raised from the capital market through infrastructure investment trusts (InvITs). As per the plan, the first of the InvITs may open around Diwali to raise Rs 3,000- Rs 4,000 crore, while Rs 5,000- Rs 6,000 crore worth of highways are expected to be moved to

InvITs by December. It would pave the way for subsequent market offers to offer retail investors a chance to invest in the highway development programme.

The new initiative is estimated to deepen the asset monetisation market in the roads sector. So far, the majority of the road sector InvITs are private trusts. Only institutional investors such as insurance companies and pension funds participated in the first InvIT round of NHAI in October last year.

Infrastructure Investment Trusts (InvITs)

Infrastructure Investment Trusts (InvITs), like mutual funds, enable direct investment of small amounts of money from individuals or institutional investors

in infrastructure to earn a small portion of the income as a return. Infrastructure Investment Trusts (InvITs) raise money from the public to invest in infrastructure



projects such as roads and ports. In return, InvITs offer dividends to unitholders. InvITs are innovative vehicles, allowing developers to

monetise revenue-generating infrastructure assets while enabling unit holders and investors to invest in them without owning them.

Highways Development: A Costly Affair

Highway development is expensive, without a doubt. The government, in recent years, has given special attention to infrastructural push, especially road development. With programs such as National Highways Development Project, Bharatmala project, and



Expressways, the government accords exorbitantly high priority to road development. NHAI, a nodal agency of the Ministry of Road Transport and Highways, has been entrusted with developing a network of over 50,000 km of National Highways.

Project	Estimated Cost by Govt
Bangalore–Chennai Expressway	Rs 17,000 crore
Delhi–Amritsar–Katra Expressway	Rs 39,500 crore
Delhi–Mumbai Expressway	Rs 1,00,000 crore
Mumbai–Nagpur Expressway	Rs 55,000 crore
Raipur–Visakhapatnam Expressway	Rs 20,000 crore
Ahmedabad–Dholera Expressway	Rs 3,500 crore
Bundelkhand Expressway	Rs 14,716 crore
Bangalore–Mysore Infrastructure Corridor	Rs 8,066 crore
Narmada Expressway	Rs 31,000 crore
Chambal Expressway	Rs 12,170 crore
Chennai Port–Maduravoyal Expressway	Rs 5,965 crore

The Debt Burden

Well, not something surprising. Having such huge projects to deliver, the agency can't do justice with the investment return matrix. The total outstanding debt of the National Highways Authority of India stood at around Rs 3.49 lakh crore as of 2022. The jump in NHAI's debt is mainly due to the continuous rise in highway construction and toll receipts not matching the construction cost. This clears that the agency is in dire need of financing.



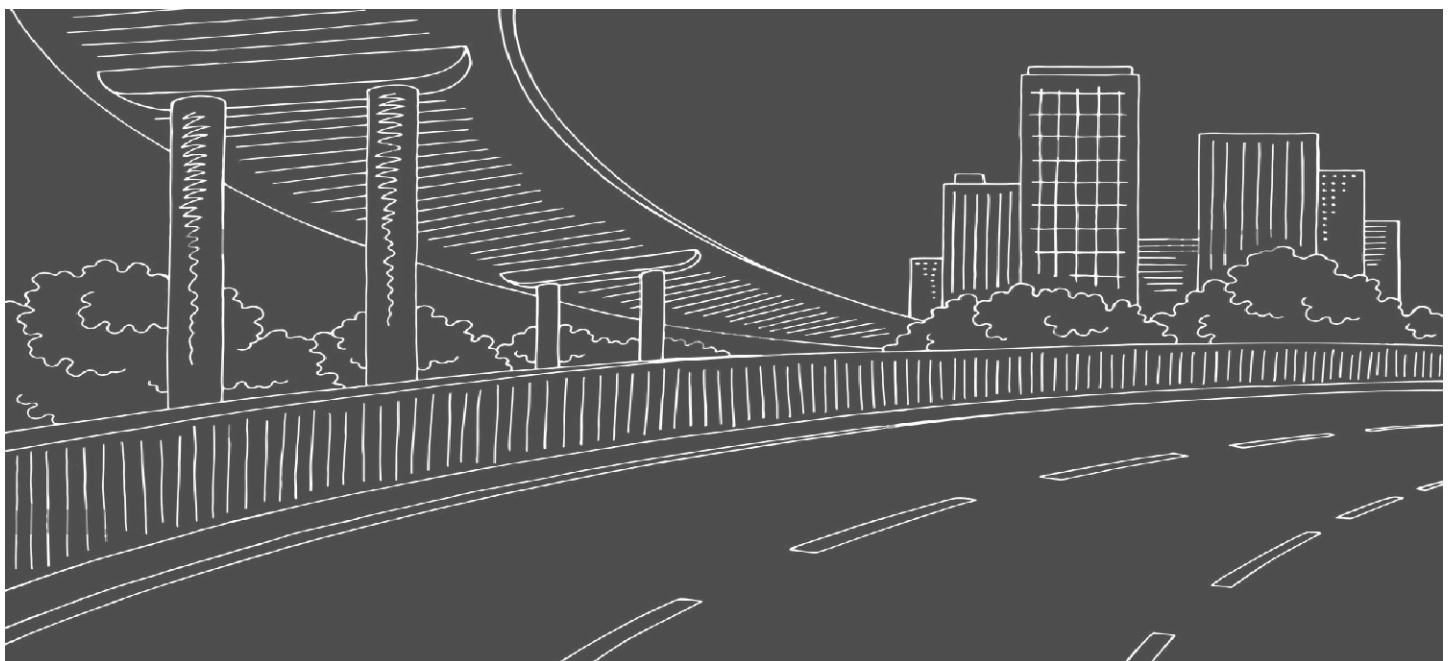
It is to be noted that the total budgetary outlay of the road ministry under 2022-23 remains at nearly Rs 1,99,107 crore. However, as part of the monetisation program, the concerned ministry talked

about toll-operate-transfer (TOT) and InvIT modes. Apparently, the option of raising funds through InvITs had always been suggested by experts but the agency delayed for no obvious reasons.



InvITs, by nature, are a hybrid between equity and debt investment. It has features of both equity and debt. The operating business model can help provide stable, predictable, and relatively low-risk cash flows like debt. On the other hand, there is growth potential like equity as the returns are not fixed with a scope of change in the unit price. InvITs are designed to mitigate the under-construction risks in the

infrastructure sector. InvITs would help NHAI free-up capital by monetising assets. The concerned agency can transfer a part of its revenue-generating assets to an InvIT, which can then issue units to its holders. In short, InvITs would spur infrastructure creation by providing an effective way to raise capital from individual and institutional investors and fund new project development.



Everything but a Panacea

Had the arrangement of funds been the only task, it would have been easier. The core issues associated with the functioning of the agency remain unaddressed. Firstly, as far as the portfolio of projects is concerned, poor selection of projects, bad design and planning, worse execution and poor monetisation adversely affects the overall road development scenario. For instance, poor design involves unnecessary structures, abrupt lane droppings and lane additions, lack of one-entry-one-exit design and so on.

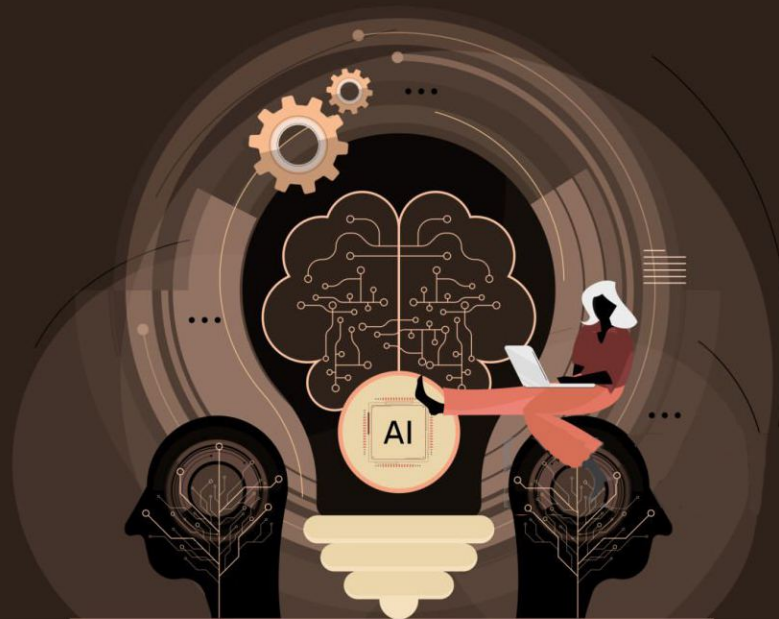
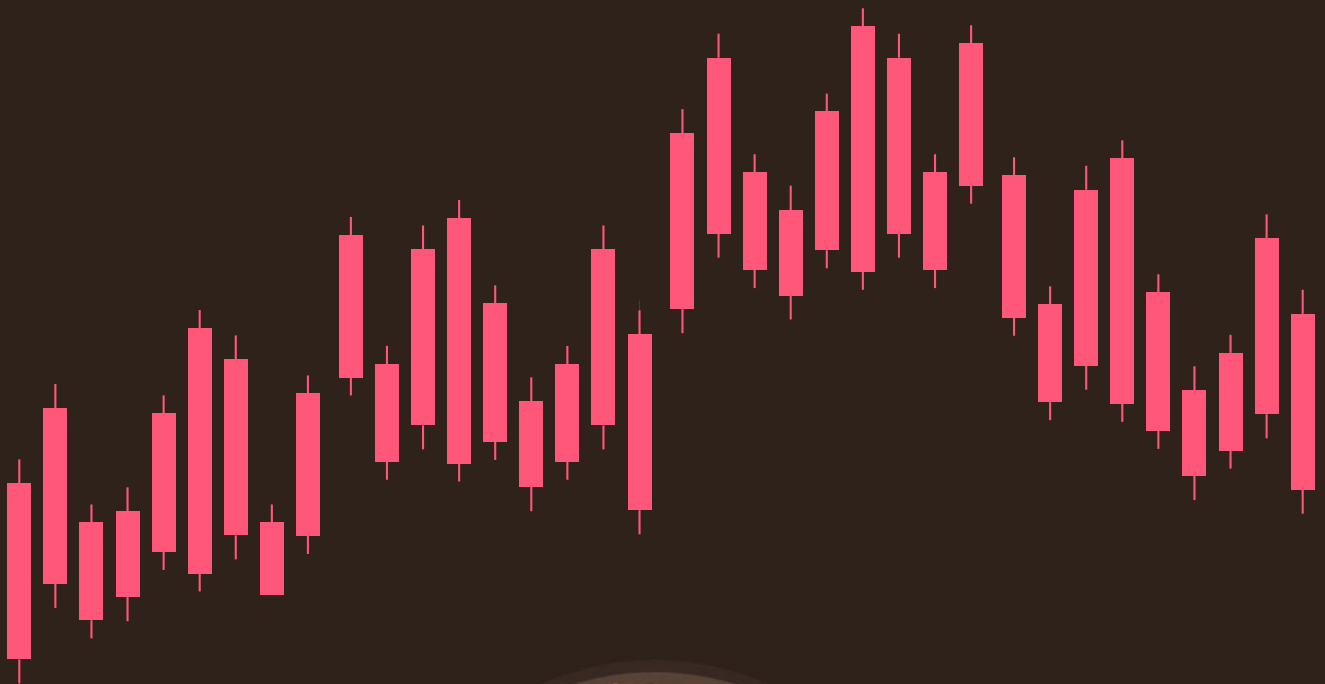
Secondly, corruption persists in land acquisition, construction contract award and tolling contract awarding. CAG has, in fact, lambasted the agency for violating

the sanctity of contracts as the latter was found to be indulged in unfair practices. As per the reports, NHAI gave undue benefits to concessionaires and violated the sanctity of contracts by making post-tender amendments favourable for the private parties. These practices have now become part of a standard operating procedure for the procurement process by government bodies.

Thirdly, since NHAI does not report financials like a listed company, there persists a sense of Opaqueness as far as the agency's finances are concerned.

While raising funds from multiple sources is not a bad idea, there is a need for proper financial and operating information about the agency.

Understanding Stock Analysis With Machine Learning



Today, in the world of trade and commerce, it is witnessed that every work is now at its peak in just a few minutes or even in seconds. The reason behind this advancement is known to every citizen. Yup, Artificial Intelligence and Machine Learning have to smoothen all the sectors

with their presence. Similarly, if we talk about the stock market, for an investor to predict the stock market fluctuations, machine learning plays a crucial role. Machine learning stock analysis has helped predict stocks through historical information and many more. Let us know more about it.

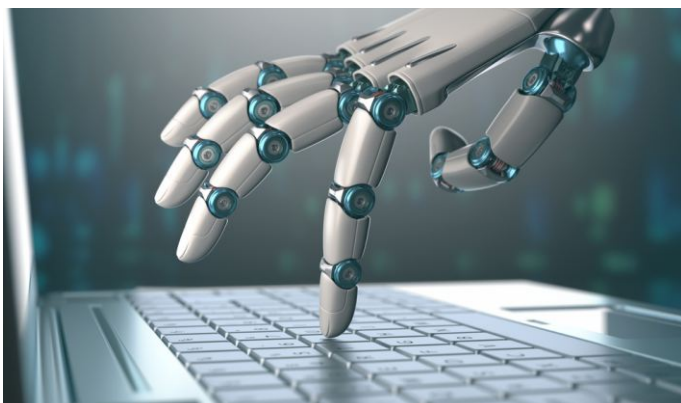




Introduction To Machine Learning



Machine Learning refers to a branch of computational artificial intelligence that learns when exposed to new learning data. Machine Learning is mainly used to predict the stock market charts of price fluctuations. After thorough research, some researchers claimed that stock prices imitate the concept of a random walk, in which the future path price of a stock is not more acceptable than random numbers. Nevertheless, Stock prices never follow random walks.



Through research, there is sufficient evidence that shows that stock returns are predictable based on historical information about the market. Machine Learning Algorithms instigated in the arena of finance are Support Vector Machines, Neural Networks, and Ensemble Learning. These three major concepts define the uses, which are as follows.

- Support Vector Machines predicting the relative direction of the stock market.
- Neural Networks predict the actual stock price and its returns.
- Ensemble Learning allows for linking the two machines into one prediction.

The fact that the stock market qualifies as being unpredictable, vigorous, and nonlinear. An accurate stock price

prediction is extremely challenging for an investor or trader due to compound macro and micro factors affecting them like politics (elections), global economic conditions or economic stability, unexpected and sudden events, any company's financial performance, or any new policy implemented, etc.

Among all, this also hints that there's still a lot of stock data to find patterns. Hence, stock market analysts, researchers, and data scientists always explore techniques analytically to determine stock market



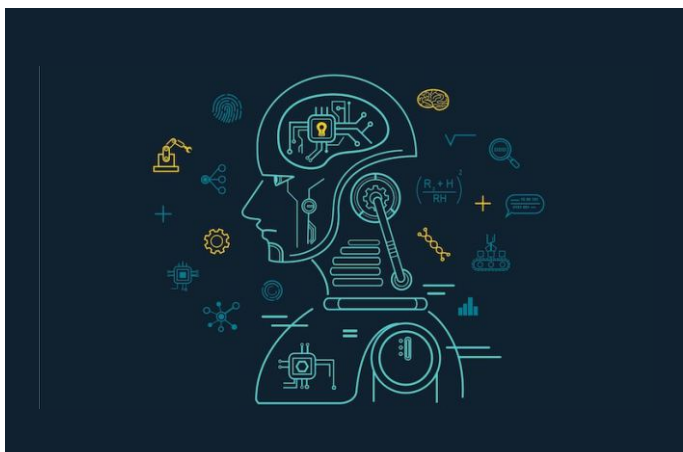
inclinations. Thus, this gave rise to the new Algorithmic Trading model that signifies automated, pre-programmed trading tactics to execute orders.

Stock Price Prediction

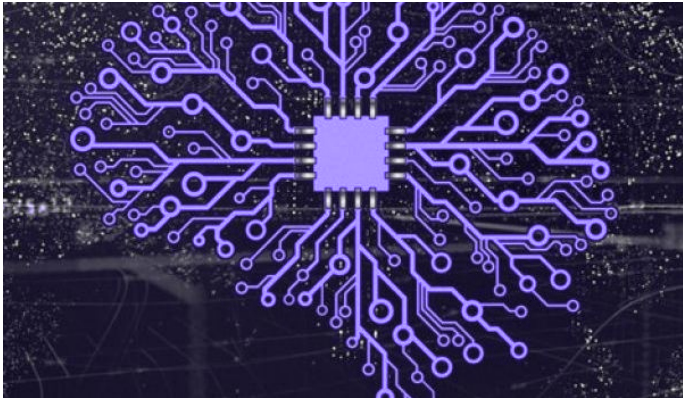
Stock Price Prediction using machine learning supports exploring the forthcoming value of the company's stock, including other financial assets that are traded on the stock exchange. The idea and the reason behind predicting stock prices are to gain substantial profits from it but predicting stock market performance is indeed a hard task to do.



Besides, some other factors are involved in the prediction, such as psychological factors, rational and irrational behaviour, decision-making techniques, etc. Thus, when all these points combine, it strengthens share prices to become more dynamic and volatile, testing the investor's predicting accuracy.



Long Short Term Memory Network (LSTM) = Stock Price Prediction



LSTM is a Recurrent Neural Network that mainly works on data arrangements and learns to retain only appropriate information from a time window. Through this upcoming information, the network acknowledges adding a 'memory', getting updated with each time step based on significant new samples

appearing in the model. For years, LSTM has transformed speech and handwriting recognition, language sympathetic, forecasting, and several other applications that have been the new technology for the current day.

A standard LSTM cell encompasses three gates that are the Input, Output, and Forget gates. These gates acknowledge their weights that, in turn, determine how much of the current data module needs to be remembered and amount of the past learned analytical content should be overlooked. This schematic is an improvement over the previous and current RNN models.

Can Data Science Worth Considering?

Data science defines a combination of multiple tools, algorithms, and machine learning principles aiming to explore hidden patterns from the collected raw data. Applying data science and forecasting tactics, one can behold many insights just as a company's financial position. A forecasting algorithm includes information procedure, seeking to predict future returns based on thorough research



of past and present data. This forecasting is vital as predicting future events is a critical involvement in many types of planning and decision-making processes in the fields of finance, industrial process, and risk management.

Capital markets are markets referred to for buying and selling equity and debt instruments. The market also relates to the public offering and trade of stock, along

Lastly, the quote, '**Necessity is the Mother of Invention**', suits perfectly observing current trends. New technological advancement has created its zenith at its pace. The human needs make them initiate research and development programs, which is why India is growing. In the global era of Big Data, deep learning analysis for predicting stock market prices and trends has become more

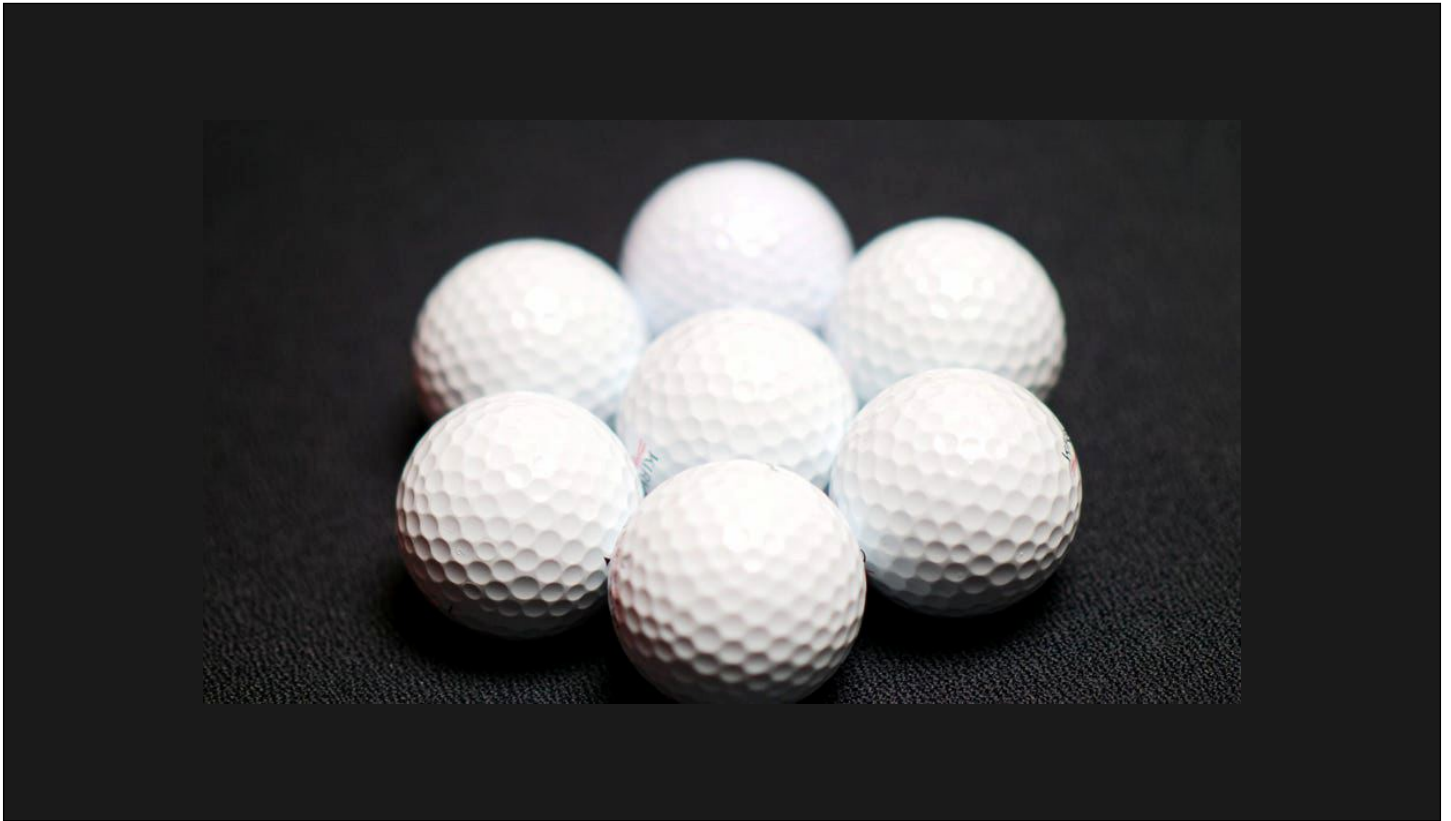


with the issuance of the stocks of public companies. Stock exchanges are titled the major players in the financial sectors of many countries like Indonesia. Stockbrokers executing stock trade use technical, fundamental time series analysis, trying to predict stock prices to consult the clients.

standard than before. The anticipated solution is comprehensive as it includes pre-processing of the stock market dataset, utilisation of multiple feature engineering methods, pooled with a customised deep learning-based system for stock market prices and trends prediction.

Everything About Split Stock





Understanding Stock Split

Stock splitting is the measure taken by a company to increase the number of shares of the company. The primary objective of doing so is to increase the number of shares while simultaneously reducing the face value of the share. Generally, in Stock-Split, equity remains unchangeable. However, the shares will

be worth half as much. When the shares of companies reach their zenith, it becomes unmanageable. Henceforth, the corporation can split its stocks to make them affordable for investors.

Types of Stock Split:

- Forward Split
- Reverse Split

Forward Split

Forward stocks mean that a company's shares might rise considerably. Forward stock fundamentally causes the split of shares. It doesn't increase the investment

value, nor does it issue any kind of benefit to the shareholder. Nevertheless, the stock owner would have more stock with the same value without making any

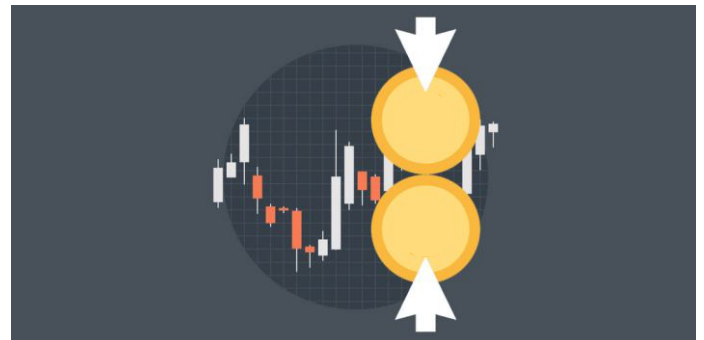


additional investment. By doing so, a company increases liquidity and fluidity of buying and selling the share. The forward split makes it convenient for the shareholder to carry out their trading transaction.

Reverse Stock Split

Unlike the Forward split, the Reverse stock split or stock merge works contradictorily. HOW? In the case of reverse split shares, corporations are effectively merged to form a smaller number of shares. Why do companies do so? Generally, companies merge their stocks to increase the trading price of their shares. When the company's stock price reaches rock bottom, they apply the reverse stock split method to attract investors. If the board of directors

reverses the stock, the stocks will merge into a single unit. For instance, in a 3:1 reverse stock split, the company would take every two shares, merge them into one share, and increase the price of shares.



Why Do Companies Split Their Stocks?

Companies split their stocks to increase their stocks' liquidity and make them accessible and affordable for investors. Companies also adopt this strategy to increase the value of shares and decrease the values of the stocks for new investors. By splitting the stocks, shares become easier to buy and sell for an investor.



Companies also adopt this method to double the number of shares available in the market.

Companies in search of investors often make the stock price more attractive and attainable for a large number of investors.

On the contrary, in the case of a Reverse stock split, companies merge their stocks to make the company meet their minimum requirement and stay listed on the stock exchange. Companies execute the Reverse stock split to survive thru rough patches.

Understanding Record Date and Ex-Record Date

A record date or Ex- is the date on which the companies examine and evaluate the records of the shareholders and determine



the eligible shareholder for the corporate action. Those investors having shares on their Demat account on the record date are eligible for corporate action, the entitlement of right shares, bonus shares, stock split, and dividends. The EX-RECORD DATE is the day before the record date. The ex-record date is the day after a buyer of the company's stock becomes ineligible for dividends.

When To Buy Stocks Before The Split Or After The Split?

How Can It Be Beneficial To Investors?

When it comes to buying shares before or after a stock split, it might result in neutral. A stock split is a fundamental strategy of a company to increase liquidity. Forward split or backward split doesn't prove any benefit, nor does it come up with any kind of loss to the investor. Henceforth, the stock split doesn't affect a share's face value. Still, record date plays a crucial role in investing money. An investor



should keep a record date before buying a share; if an investor buys a share of the company before the record date, then the investor would become ineligible to receive any related dividends. Stock Split

won't provide any kind of benefit to the beholder of the share, but for the new investors, it can be beneficial as they would be buying shares of the company at a low price.



PROS

- Attracts investors
- Increases liquidity
- Motivation for new investors
- Bring affordability
- Dividends
- Increases the number of shares



CONS

- Great volatility
- Risk of the downfall of the price
- Involves investor and company's cost
- Making new records can be challenging
- Doesn't increase share prices

Split Stock Impact

Frequently, it has been as the forward split occurs, the demand for the shares increases as the price falls. As the prices of the shares get inexpensive, the small investors tend to buy those stocks abundantly, which causes the high demand. And the occurrence of the split causes a change in the mindset of investors. It makes a



positive approach toward investing in companies. Which ultimately makes the company's reputation more alluring. Seeing matters in the broad terms of taxation, the stock impact doesn't involve any kind of tax as the price stays unchangeable. Henceforth, an investor won't be facing any kind of tax reduction or deduction. The company's market cap

stays firm and unchangeable even though the prices of each share keep changing consistently, yet the company's market capitalisation stays the same. Even in the case of a reverse stock split, the original value of the share stays the same, but the number of shares lessens. The reverse and forward split factors can help boost the company's image and reputation.



When share prices are lessened, more investors find their way into the company by purchasing as many shares as possible. It provides fluidity to shareholders to buy additional shares. Stock increases volatility. Investors looking for short-term capital gain might find themselves in trouble if they don't get entitlement to the dividends. Once the share prices hit the specific share price, which the company orients, they decide to do a split, which leads to an increase in liquidity.

Everything You Need To Know About An ETF?



Exchange Traded Fund

An Exchange Traded Fund, or ETF, is a hamper of investments like stocks, bonds or other securities. Exchange Traded Funds make an investor invest in many securities all at once. Also, the fact that ETFs often have lesser fees as compared to other types of funds. ETFs are traded much easily is also a considerable point. Besides, we can't take it much easier because ETFs aren't a one-size-fits-all solution. One needs to appraise it as per their own merits, including management costs and



commission fees if required. It depends on how easily an investor can buy or sell it into the existing portfolio as per their investment quality.

Working of The ETFs



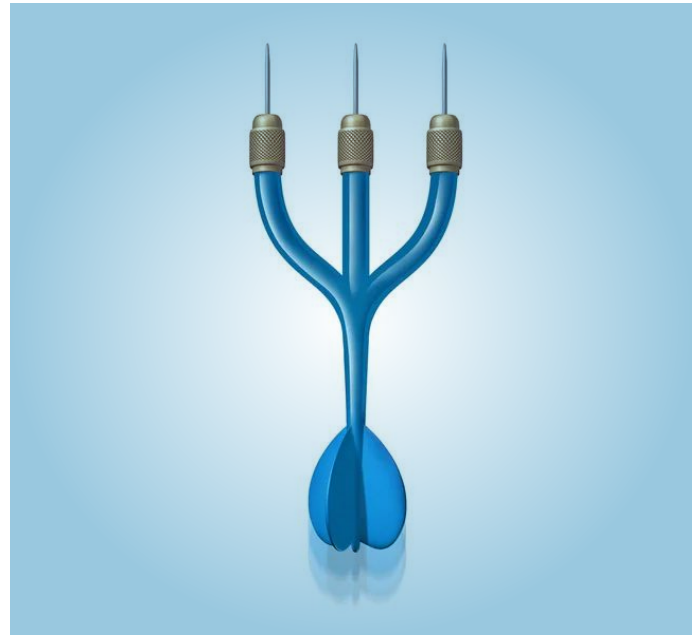
The Fund provider is the owner of the underlying assets who enterprises funds to track their presentation and then sells shares to an investor in that fund. Shareholders own a share of an ETF but never retain the fund's underlying assets. While ETFs are intended to track the underlying asset's value, whether it is security like gold or a basket of stocks like the S&P 500. They trade only at the market-determined prices and usually diverge from that asset. Due to expenses, longer-term returns for an ETF will differ from its underlying asset.



Advantages of Investing In ETFs

Diversification

ETFs allow investors to diversify across sectors like industries. This would include capital and efforts to purchase the gears of a certain basket. An ETF holds the capacity to convey those benefits to your portfolio within a click. Diversification can defend your portfolio against market instability. Contributing to your portfolios by investing across different industries and company sizes makes your portfolio work in momentum.



Transparency

In modernisation, internet access can research the price mobility for an ETF on the stock exchange. A fund's holdings are

disclosed daily to the public. This transparency allows you to inspect what you invest in.



Tax Benefits

Most ETFs sustain capital gains taxes when you sell the investment. Simply put, you will have to pay less tax on ETF investment overall. If you invest in an ETF, you can decide when to sell it, thus making it easier to evade higher short-term capital gains tax rates.



 A close-up photograph of a document with two sections labeled 'Advantage' and 'Disadvantage'. A silver pen is positioned over the 'Disadvantage' section. The background is a gradient of yellow and purple.

Lacunae Subjected To ETFs

Trading Costs

ETF costs wouldn't end with the expense ratio. As ETFs are Exchange-Traded funds, they may be subject to charge fees from digital brokers. Many brokers have decided to drop their ETF commissions to zero, except for some.



Potential Liquidity Issues

With any security, you'll be aware of the current market prices when it's the time to sell, but ETFs that are not traded recurrently can be stiffer to unload.



Risk The ETF Will Close

The prime reason this happens is that the fund hasn't fetched enough assets to cover administrative costs. The biggest embarrassment of a secured ETF is that the investors should sell it sooner to curb the loss and the tax burden.



How Much Do ETFs Cost?

Exchange-traded funds can differ when it comes to cost. The median price of the most preferred ETFs by trading volume is \$59.42. The most expensive ETF in that list is estimated at \$473.56, and the lowest is at \$3.43. That range may be daunting, but it also proves that every budget has an ETF. While researching ETFs, an investor must contemplate the fund's expense ratio.



As most ETFs are passively managed, ETF expense ratios are naturally low compared to other types of funds.

Types of ETFs

Exchange-traded funds may pretend to trade like stocks; rather, they resemble more mutual or index funds, which can vary the underlying assets and investment goals. These ETFs are never determined based on management type, passive or active, but by the methods of investments held within the ETF. Here are some types of ETFs. Let's have a look.



Stock ETFs

These ETFs consist of stocks that are preferred for long-term growth. They carry slightly more risk than bond ETFs.



Commodity ETFs



Commodities are raw materials bought or sold like gold, coffee and crude oil, wherein securities are bundled into single investments. In this, the most important thing is to know the inside thing. Is the commodity deliberated a 'collectable', according to the IRS? These factors can accompany serious tax implications and varying risk levels.

Bond ETFs

Just like individual bonds, Bond ETFs do not hold a maturity date, so the most mutual use is to create regular cash payments to the investor. These payments come from the interest incurred by the individual bonds within the fund.



International ETFs



Foreign stocks are mostly recommended for making a diverse portfolio, including US stocks and bonds. International ETFs are an easy and less risky way to invest in these foreign investments. It may include investments either in individual countries or specific country blocs.

Sector ETFs

Sector ETFs directly invest in specific companies within their respective sectors, such as the health care, financial or industrial sectors. These may be useful for investors tracking business cycles, as some sectors perform better during expansion periods, whereas others perform better during contraction periods. Often, these ETFs carry a higher risk than broad-market ETFs.



ETFs Vs Mutual Funds

As compared, ETFs have lower fees than mutual funds considering a big part of their appeal and providing a better tax efficiency than mutual funds. There's usually more turnover within a mutual fund than in an ETF, and such buying and selling can result in capital gains. The two products also have different management.



ETFs Vs Stocks

This can sound interesting as ETFs are made of stocks, but there is no concept of an 'ETF stock.' An investor can purchase a share of an ETF but cannot purchase stock in an ETF. Individual stocks and other investments determine ETFs. ETFs can be traded on exchanges just like stocks and

resemble unique ticker symbols that track price activity. As stocks represent just one company, ETFs represent a huge stock basket for investors. ETFs, including multiple assets, may provide more diversification than a single stock that helps reduce portfolio exposure to risk.

ETFs Around Us!



- SPDR S&P 500 ETF (SPY)
- BNY Mellon US Large Cap Core Equity ETF (BKLC)
- SoFi Select 500 ETF (SFY)
- JP Morgan Betabuilders U.S. Equity ETF (BBUS)
- iShares Core S&P 500 ETF (IVV)

Above all, the concept of ETFs may sound worth investing and considering all the points it is deemed to be. But, it is advised to have a genuine consultancy to clear all the doubts and start investing to avoid mistakes.

Start Making Your Portfolio A Diverse one!

NEW DIGITAL CURRENCY AND IT'S ROLE IN SETTLING INTERNATIONAL TRADE



Digital Currency

Digital currency is an alternative currency or an asset with no physical form. They're present in electric form only and can only be exchanged through electronic means and technological sources. Digital money can be called a substitute for physical money. Digital currency primarily

concerns a representation of value. They are operated through blockchain technology to record the transaction of value. Currencies are broadly-categorised into two segments:

- Centralised - Fiat Currency
- Decentralised - Bitcoin, Ether, and Tether



Centralised Digital Currency



Centralised digital currency is a form of virtual currency which the government itself issues. They're known as Central Bank Digital Currency abbreviated terms (CBDC). No entities other than the government have authoritative powers over CBDCs. The purpose of CBDCs is to serve privacy as well as accessibility and security to businesses. FIAT currency

includes gold, silver and paper money. It has legal tender provided by the government

and has no intrinsic or fixed value, nor are they backed by any tangible asset.

Decentralised Digital Currency

Decentralised Currency is the form of currency that doesn't possess any single administrator. Generally, it refers to bank-free methods of transferring wealth or commodities without third-party occurrence. Bitcoin, Ethereum, Tether, and Binance coins are some of the digital currencies. These currencies aren't backed by any physical means having no intrinsic value, and unlike gold and silver, digital-currency value does not depend on scarcity.



Sources OF Cryptocurrency



➔ Crypto-Mining

Using mining and solving advanced level mathematical equations.

➔ Working with Crypto-Firm

An employee can earn crypto if working with the firm.

➔ Earning via Playing

Digital Currency can be earned by playing crypto games.

➔ Refer and Earn

Some exchanges offer sign-up or referral bonuses for referring crypto to new users.

Why and Where are Digital Currencies Needed?

Digital currency is needed for smooth and instant transactions and exchanges. They are a lot cheaper, have easy access, bring efficiency and ease to global trade, have reduced tax evasion, and have introduced a unified form of currency. Eradicates the deprivation of physical currency. Cryptocurrency is usable in different communities, namely gaming, gambling, and social networks; it can be connected to a debit card and can be spent as cash. Virtual money can be used for buying insurance, flight tickets, and other kinds of stuff, such as game passes and buying a ticket from the gaming portal. Virtual Currency like Bitcoin can be exchanged with the help of a third-party exchange broker. Major leading Firms and companies like Wikipedia, Microsoft, Overstock, and PayPal accept the bitcoin transaction.



Cryptocurrency can give a boost to small businesses and can provide a subtle push for their business growth. Most small businesses use razor-thin cash buffers, and a small business sustains cash for less than a month. Which subsequently causes vulnerability to economic fluctuation. For instance, the pandemic caused a crisis in the US. As a result of the collapse, the government has to provide paychecks to the owners and small businesses to stay afloat. Yet, the digital currency fluctuation might have the potential to provide them with aid. Another factor for owning a business and affiliating it to the digital currency is that it'll give the business an ideal international reach and expand from international clients.



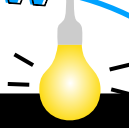
Digital Currency Stand in Today's World

With the rapid revolution of the world, the demand for a single unified form of currency has strengthened, so the digital currency is required to aid a way for security and make the record for every transaction. Aside from securing transactions, digital currency has given a boost to e-commerce. An estimation by TripleA company states that there are about 300 million cryptocurrency users across the globe. The graph below represents how bitcoin merged into a global exchange trend which implies that globally, digital currency is coming up swiftly in the contemporary world. With the upbringing of CBDC, the demand for crypto has increased.

A survey states that there are 6000 cryptocurrencies, and one out of ten people are investing in the currency globally; subsequently, the magnificent need for crypto cannot be ignored by the CBDCs. The rise and the fall of the Digital-currency can cause distress in CBDCs for instance, the highest leap in Bitcoin occurred in 2017. It reached its highest price (1900 USD) since the beginning of its trading. Also, in the year 2018, it fell to 4000 USD, which ultimately caused a sort of tension in the Central government. Bitcoin and other digital currencies cause inflation, dollar gold and silver. Henceforth the rise of demand for bitcoin can cause inflation.



Did You Know



2015-22 was the booming point for cryptocurrencies as the bit-coin became the most used form of currency after FIAT. More than 180 million people throughout the globe are using bitcoin contemporarily as a means of exchange. The market capitalisation of Bitcoin in 2015 was three hundred billion dollars, and the current market cap of bitcoin is reaching roughly 600 billion USD in 2021.

Why is Crypto-Currency Taking Over the World?

Low Fee

Before digital currency came into existence, the prizes paid for international trade were extravagant and had multiple cascading effects. Yet, with the introduction of crypto-currency, the transaction fees are minimal. Being a peer-to-peer review system, the digital currency has also reduced the tax burden.



Unified Exchange Rate

Cryptocurrency has a unified rate; in the case of international trade, currencies belonging to different countries have different values and exchange rates. Henceforth, the cryptocurrency offers a standard rate acceptable globally by traders. The crypto-currency has set a unified form of capital.



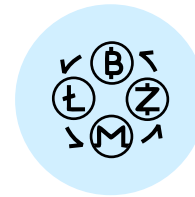
Precise Record Keeping

All the transactions done via digital currency are kept in a record; unlike the written ledger, which is easy to manipulate, the digital currency date based is secure and safe.



Swift Exchange

Every digital currency transaction is done over a server; the internet speed is an add-on to the fast and secure money exchange. The process of verification of payment takes an estimated time of 10 minutes hardly.



Why in today's world do we need crypto-currency? Why are traditional ways fading away? What future does the modern world and India have in digital currency? There are several questions to emphasise; as the world modernises and the mass spread of globalisation, there's an urge to extricate primitive ways of transaction and bring forth a unified payment method. Cryptocurrencies such as bitcoin are giving access to capital and comprehensively increasing the saving of poor people. Globally primitive transaction and exchange is cliché for modern days. The crawling speed rate of development in real-time can be an obstacle for digital currency; the implication of digital currency is a mere part of reverie of a wholly modernised and equipped futuristic world. As per the norms in the budget of 2022, the union government may introduce CBDC to give the Indian economy a boost. The currency would be called as digital rupee, and RBI will be the stakeholder.



Stock To Bet On



Britannia Industries Limited



Asian Paints Ltd



IndusInd Bank Limited

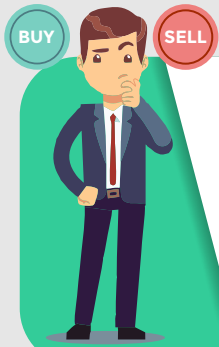


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