



I-CAN
COMMUNIQUÉ

DECEMBER
2021





MONTHLY NEWSLETTER – DECEMBER 2021

Sensex : Down 3.8%	
Nifty : Down 3.9%	
Best performing sector: Telecom (6.7%)	Worst performing sector: Private Bank (-9.8%)
Best performing Global index: Taiwan Capitalization Weighted Stock Index (2.6%)	Worst performing Global index: RTS Index (-10.7%)
Indian Rupee: -0.9%	Gold (International): -0.5%

The Indian stock market indices witnessed volatility in the month of November due to headwinds such as rising global Covid-19 cases, higher inflationary pressures being faced by several large economies and selling by foreign institutional investors (FIIs). A new Covid-19 variant named Omicron has also caused fear in the minds of investors. While the severity is yet to be understood and the cases are on the lower side currently, the markets are jittery till further clarity on the impact of the new variant emerges. Sensex and Nifty slid by around 3.8%. S&P BSE Mid and Small Cap indices fell by 2.3% and 0.2% respectively.

The 10-year government bond yield eased from 6.388% to 6.326%.

The foreign institutional investors (FIIs) pulled out a net amount of Rs. 5,945.1 crore from stocks and invested a net Rs. 982.5 crore in bonds.

Some of the agencies revised their FY22 growth projections for India:

	Previous FY22 GDP Est (%)	Revised FY22 GDP Est (%)
Fitch Ratings	10	8.7
SBI Research	8.5 – 9	9.3 – 9.6
UBS Securities	8.9	9.5

In its recent Macro Outlook 2022, Goldman Sachs revised its growth outlook for India upwards from 8% to 9.1% for calendar year 2022.

The Index of Industrial Production (IIP) grew by 3.1% in September'21 as the low base effect started to wane. The figure in August'21 was 11.9%. India's Manufacturing Purchasing Managers' Index (PMI) moved up at the fastest pace in 10 months by jumping from 55.9 in October to 57.6 in November. The Services PMI fell from 58.4 in October to 58.1 in November. A reading above 50 indicates expansion in activity.

India's fiscal deficit for the April – October'21 period was Rs 5.47 lakh crore (36.3% of the budget estimates). In the previous year's comparable period the deficit had soared to 119.7% of estimates due to the higher expenditures on account of the Covid-19 pandemic. According to Fitch Ratings, the fiscal deficit in this financial year could be better than

the estimated due to better-than-expected revenue even if the disinvestment target is not met.

According to World Bank India was the largest recipient of remittances, receiving \$ 87 billion in 2021 with the US being the largest source.

The Nomura India Business Resumption Index (NIBRI) increased to 114.5 for the week ending November 28 from a downwardly revised 113.4 in the previous week. The Dun & Bradstreet Composite Business Optimism Index (BOI) for the fourth quarter of calendar year 2021 stood at 94.6. This is 27.4% higher than the third quarter survey and also the highest since second quarter of 2014.

India's exports increased by 43% to reach \$ 35.65 billion in October while imports surged by 62.5% to \$ 55.37 billion. The trade deficit widened to \$ 19.73 billion.

The US Federal Reserve announced winding down of its monthly asset purchases at a rate of \$15 billion per month. This is a step in the direction of withdrawal of last year's emergency pandemic support.

Reforms

- Finance Minister Nirmala Sitharaman said that the central government will introduce a bill on Cryptocurrencies in the Parliament.

- The government decided to extend the free ration scheme Prime Minister Garib Kalyan Anna Yojana (PMKGY) till March 2022. This scheme was introduced last year as part of efforts to reduce distress caused by Covid-19.
- The Union Cabinet approved a proposal to build 32,152 km of roads in remote areas of the country with an estimated cost of Rs. 33,822 crore.
- Union Minister Anurag Thakur said that the Cabinet decided to provide mobile towers connectivity to more than 7,000 villages of 44 aspirational districts across Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha.
- The Finance Ministry directed all central government entities to release 75% of the disputed amount (around Rs. 50,000 crore across 600 projects under litigation) where contractors won the arbitration but still have their funds blocked as government entities move appellate tribunals. This is done with the aim to provide a boost to the construction sector.
- SEBI asked stock exchanges, depositories and clearing corporations to disclose data regarding the complaints received against them and resolution provided on a monthly basis.
- SEBI allowed foreign portfolio investors (FPIs) to write off all debt securities that they are unable to sell.

How to interpret your CIBIL Score?



CIBIL is a credit information company (CIC). A CIC is an independent organization that collects financial data related to loans and credit cards. This data is shared with member-subscribers such as banks, non-banking financial companies (NBFCs) in a report format.

The credit report contains borrower's information such as credit facilities availed, names of lenders, date of account opening, last date of payment, loan amount, current balances, days past due in case there is delayed

payment in case of a loan etc.

A CIBIL score is a three-digit numeric summary of an individual's credit history. It ranges from 300 to 900. A CIBIL score indicating not available (NA) or no history (NH) is not necessarily a negative thing. It could mean any of the following:

- a) You do not have a credit history or very little credit history
- b) There is no credit activity for the last couple of years
- c) You only have add-on credit cards and have no other credit exposure

The credit score can be interpreted as follows:

Bad Score (below 500):

It means that one has not been careful with money management and timely repayment of loans. It is highly unlikely that financial institutions will accept loan or credit card application with such a score.

Average Score (500-600):

The score means in the past there have been instances of financial impracticality. It might be difficult to get a loan or credit card. However, with some effort one can work towards improving this score.

Good Score (600-700):

While you might have missed or delayed some payments but the history is good overall. The lender might ask you for more documents or may increase the interest rate slightly but you are likely to get a loan.

Brilliant Score (700-800):

This is the score of highest creditworthiness. Lenders are likely to be highly willing to give you a loan or credit card as you have demonstrated discipline with your loans.

In case your credit score is low, you can take corrective measures to get it back on track

Did you know?

Sweden has more than 2,67,000 islands – the country with the maximum number of islands.

Cartoon of the Month



**“I guess it’s been a while since you’ve shopped off-line.
It’s not necessary to double-click my nose!”**

Top Personal Finance News – November 2021

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- 3) 5 things to know about indexation: [Click here](#)
- 4) Tier II NPS account: Clarity needed about taxation of withdrawals: [Click here](#)
- 5) Precious Metal: Now you can invest in silver ETFs: [Click here](#)
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