

Amarin Corp. shares crash 67% to \$4.47 after a court ruling

Amarin Corp – a pharmaceutical company developing and commercializing therapeutics to improve cardiovascular health – recently has been jolted by a court’s ruling. Amarin Corp was founded in 1993 and is headquartered in Dublin, Ireland for the purpose of taxes. Traded at □NASDAQ as AMRN.

Benchmark indices ended almost flat after a volatile session on Tuesday. As per provisional closing data, the S&P BSE Sensex fell 8.41 points at 37,973.63. The Nifty 50 index lost 5.15 points at 11,222.25.

Indices	Date	Change	% Change
Nikkei	30-09-2020	-82.3	-0.35
Straits Times	30-09-2020	3.75	0.15
DOW Jones	29-09-2020	-131.4	-0.48
Shanghai	29-09-2020	6.83	0.21
Hang Seng	29-09-2020	0	0
Nasdaq	29-09-2020	-32.25	-0.29
DAX	29-09-2020	-45.05	-0.35
CAC 40	29-09-2020	-11.2	-0.23
FTSE	29-09-2020	-30.43	-0.51

World Indices today

There were more sellers than buyers. On the BSE, 1178 shares rose and 1436 shares fell.



In corona age, pharma companies have more work to do

The rating agency, Icra, after market hours on Monday, revised its forecast for contraction in GDP for FY21 to -11% from -9.5% as fresh Covid-19 infections remaining elevated at the end of the second quarter. The agency, however, retained its earlier forecast of a 12.4% contraction in GDP in the second quarter.

Notable scrips which declined appreciably:

- Radico Khaitan (down 3.9%),
- Globus Spirits (down 3.28%),
- Advanced Enzyme (down 3.22%),
- Dhampur Sugar (down 3.05%),
- Tata Consumer (down 3%),
- Kaveri Seed (down 2.46%),

- ADF Foods (down 2.39%),
- Triveni Engineering (down 2.35%),
- Shree Renuka Sugars (down 2.31%) and
- ITC (down 2.25%)

While some scrips rose:

- SBI Card up 1.11%.
- Shree Cement up 1.63%.
- Shalby up 6.68%.
- ZyduS Wellness up 0.24%.

Amarin Corp News Highlights.

Amarin Corp. shares were recently down 67% after hours to \$4.47 after an unfavourable ruling from a Nevada court in patent litigation related to potential generic versions of Vascepa.

Amarin Corp stated: "It strongly disagrees with the ruling and will vigorously pursue all available remedies. The company does not believe there is an impending generic launch by the litigants" that would compete with Vascepa at this time."

Others :

- US House of Representatives Speaker Nancy Pelosi reportedly said that stimulus talks with Treasury Secretary Steven Mnuchin are due to continue, suggesting

possible progress to end the stalemate.

- The US Presidential election is scheduled for Tuesday, November 3, 2020. The present incumbent US President Donald Trump and the main opposition contender Joe Biden, the Democratic nominee, will face off in their first Presidential debate on Tuesday night. Three debates between the presidential candidates are scheduled to take place on September 29, October 15, and October 22, 2020.

Corona Impact

- Total Covid-19 confirmed cases worldwide were at 33,353,615 with 10,01,646 deaths. India reported 9,47,576 active cases of Covid-19 infection and 96,318 deaths while 51,01,397 patients have been discharged, data showed.
- Media reports said that restaurants, bars and eatery outlets in Maharashtra will be allowed to re-start operations from the first week of October. It seems that the fear of contagion has dampened consumer demand, and has affected the hospitality industry, tourism, travel, trade and services in affected countries. Hotels, bars and restaurants have been surviving on home deliveries due to the Covid-19 lockdown.
- Stocks of some travel companies, alongside casino and hotel operators, have been brutally hit, and more businesses are expected to see a severe financial impact should the virus keep spreading.

Also Read: IPO in long-term strategy, currently focused on e-commerce growth in India: Flipkart

Also Read: Caplin Point Laboratories to replicate the success

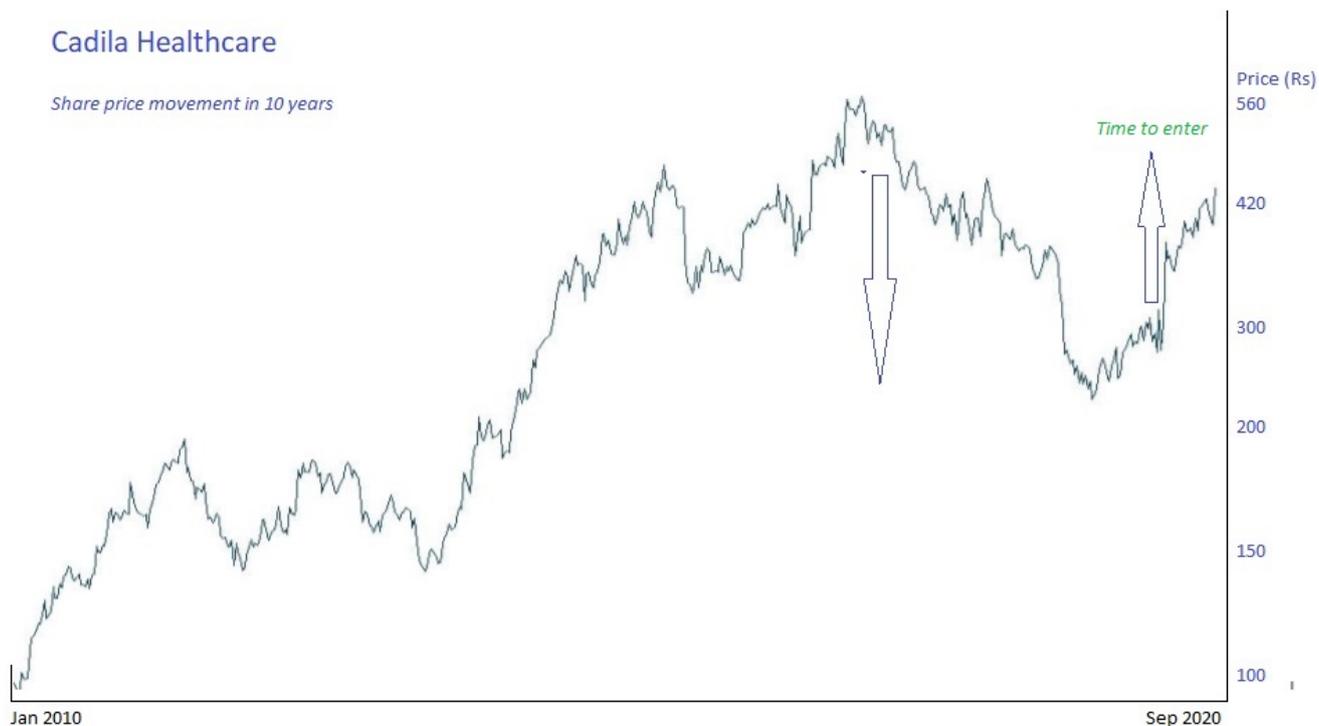
Cadila Healthcare: Strongest rally in 3 years signifies a turnaround

Cadila Healthcare has been seeing the strongest rally in recent times which clearly indicates a structural transformation. Time to enter!

Stable earnings visibility, least stressed balance sheets, healthy free cash flows and ability to deliver products at the time of crisis are some key attributes of Indian pharma.

Cadila Healthcare

Share price movement in 10 years



Over the last few quarters, most players are recalibrating CAPEX and R&D spend in order to optimise capital utilisation. The current situation, underpinned by Covid-19 pandemic and its negative impact on most sectors, further strengthens the argument for investment in pharma.

While the Q1 performances of most pharma companies have been skewed, H2 should reflect the normalised trend.

Technically, the Pharma index has registered a structural turnaround on long term charts. At the current juncture, Cadila Healthcare and Caplin Point Laboratories seem to be well placed in terms of a favourable risk-reward set-up from a medium-term perspective.

The pharma sector has been relatively outperforming over the past couple of months after witnessing a structural turnaround off March 2020 lows, signalling a reversal of five-year-long

downtrend.

o In the pharma space, Cadila Healthcare has been relatively underperforming. However, currently, it has been seeing a faster pace of retracement as it retraced past five week's decline (Rs 412-358) in just a single week, signalling an acceleration of upward momentum, auguring well for the next leg of up. Structurally, the stock has witnessed strongest up move since CY17 as a current up move off March low of Rs 202 (108%) is stronger than CY16-17 rally (90%). The elongated rally signifies structural turnaround.

o It appears the stock has strong support at Rs 372 as it is 80% retracement of ongoing up move (Rs 420-358), at Rs 370. Hence, after a faster retracement, temporary breather from here on should be used as incremental buying opportunity.

o The stock may form a higher base and gradually head towards Rs 485 levels in coming months as it the 80% retracement of 2017-19 decline (Rs 560-206) placed at Rs 488.

Cadila Healthcare is one of the old generation family-owned pedigree companies which, after establishing a strong base in domestic formulations, shifted focus to the exports markets

- US (44% of FY20 revenues) grew at ~12% CAGR in FY16-20 backed by aggressive filings, product launches. Launch of authorised generics also contributed to overall growth. US pipeline (cumulative) consists of 390+ filed ANDAs, 95 pending final approvals. However, resurfacing of cGMP issues at Moraiya, an imminent slowdown in the base are main near term

headwinds. We expect US sales to grow at ~9% CAGR in FY20-22E to Rs 7426 crore

- With a market share of 4.1%, Cadila Healthcare is the fifth-largest player in the domestic formulations market, as per AIOCD June 2020. The acute: chronic: subchronic ratio for the company is 53:31:16. Domestic formulation grew at a CAGR of 5.7% in FY16-20 backed by new launches and acquisition of Biochem. Recently, the company optically initiated a restructuring of business by rationalising slow-moving SKUs. We expect Indian formulations to grow at a CAGR of ~9% in FY20-22E to Rs 4432 crore.

- On the US front, the company plans to venture into complex injectables (45 filed ANDAs + 14 in-licensed products), which is likely to provide meaningful traction from FY23-24 onwards. Similarly, the addition of biosimilars (like Trastuzumab, Adalimumab, Pegfilgrastim, Bevacizumab, etc.) for Emerging markets (like LatAm, MENA markets and South East Asia) are expected to provide growth impetus, going ahead. The wellness segment performance hinges upon the company's marketing & distribution prowess besides effective product positioning. India formulations business, after recent restructuring, is likely to stabilise. Both wellness, India formulations are likely to deliver steady growth in FY22. Overall, balance sheet reduction, Moraiya warning letter resolution, US base business performance in tough times are some important aspects to watch.

Also Read: IPO in long-term strategy, currently focused on e-commerce growth in India: Flipkart

Also Read: Bhuiyan canal as impressive as the Taj or the

FICCI for Start-ups Initiative

SAVE THE DATE

LAUNCH INVITATION: "FICCI for Start-ups"

Date: October 1, 2020

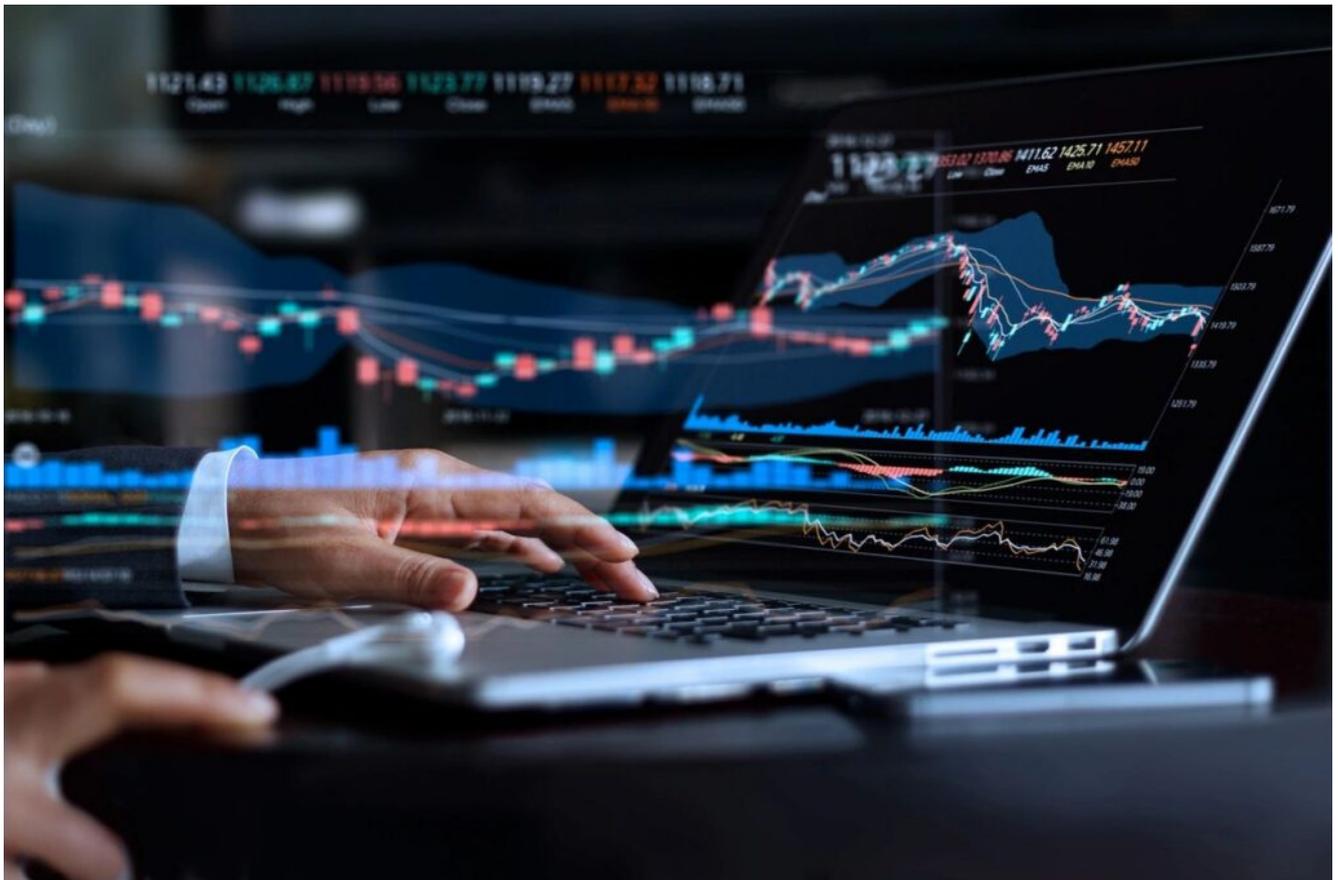
Time: 3:00 PM to 4:00 PM (IST)

We invite you to the launch of "FICCI for Start-ups" initiative of the Federation of Indian Chambers of Commerce and Industry (FICCI). Under this initiative, FICCI will provide a wide array of services and benefits to the Indian start-ups. The prime aim of the initiative is to provide a voice to the startups in India.

A comprehensive benefits package has been developed by FICCI under the said initiative which includes connecting start-ups to FICCI corporate members, mentorship by industry experts, direct connect to the Indian Angel Network, access to soon to be set up FICCI-IAN social venture fund, access to FICCI innovation and start-up programs, exhibitions, delegations, conferences at special costs, connect to the global investor community, policy advocacy with the government on behalf of start-up members among others.

Learn more at the launch event by registering here:
<https://webinar.ficci.com/startups/index.php>

BE THERE!



In July 2020, FICCI had conducted a nationwide survey on the 'Impact of COVID-19 on Indian Start-ups' jointly with the Indian Angel Network (IAN), 250 start-ups, 61 incubators and investors. The covid has had a huge impact on the Indian businesses, especially for the SMEs and Start-ups. With uncertainty in the general economy and an unexpected shift in the priorities of the government and the business houses, various start-ups struggled to meet the challenges. The survey found:

- 70% of start-ups say their businesses impacted by Covid-19,
 - 60% are operating with disruptions,
 - 12% have shut operations,
 - 33% start-ups said that the investors have put the investment decision on hold,
 - 10% stated that the deals have been called off,
 - 22% of the start-ups have cash reserves to meet the fixed cost expenses of their companies over the next 3-6 months,
 - 68% of the start-ups are majorly cutting down their operational and administrative expenses,
 - 30% of the companies stated that they will lay off employees if the lockdown was extended too long, and
 - 43% of the start-ups have already started salary cuts in the range of 20-40% over the period of April-June 2020.
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India's \$22 billion bond market

The bond market also drives India's economy which is otherwise slowing, inflation is sputtering and the central bank is cutting interest rates. But the cost of long-term money is refusing to budge. The reason, in a single word: upcoming elections. Polls are scheduled in states. Prime Minister Narendra Modi probably would have liked to make NDA's reelection endorsement with less distress in the farm economy and a better jobs track record. If he hadn't scored an own goal by banning 86 per cent of the country's cash overnight, he might even have succeeded. Team Modi will end the fiscal year on March 31 with a huge deficit of roughly \$190 billion, a pre-poll bump that doesn't appear to have helped in pump-

priming the economy.



The Gross Domestic Product (GDP) in India grew 0.70 per cent in the first quarter of 2020 over the previous quarter. It comes as little surprise that the country recorded its slowest GDP growth rate recently. More weakness is expected in the coming three months ending December 2020. That can only mean more disinflation and deeper interest-rate cuts. Why, then, is the 10-year Indian government bond yield doing very well, more than double the expected inflation rate for the year?

For both NBFC and corporate categories of bonds, the ranges grew by nearly 30-40 basis points between February 2020 and April 2020. For both, the credit spreads attained their peak in the first half of May, close to 180 basis points for NBFCs and 170 basis points for the corporate bonds.

What's troubling the market – beyond the known \$100 billion deficit for the next fiscal year – is the additional, below-the-radar government funding it's being asked to provide. India Ratings & Research Pvt., a unit of Fitch Ratings Inc., calls it “extra-budgetary resource,” a euphemism for public spending via borrowings that are, for all practical purposes, sovereign liabilities (though not counted as such).

Consider the top 10 public enterprises that borrow either to create economic infrastructure, such as the National Highways Authority of India or distribute state subsidies, such as the Food Corporation of India. While the liabilities sit on their balance sheets, their ability to repay comes from the

government. A Food Corp. bond flopped after India introduced a clause diluting the agency's sovereign backing, Cogencis reported.

It is the Indian households whose savings are being cornered by the government. For this to pay off, public spending has to make businesses and families more optimistic about investing and consuming. That could have happened a lot sooner were it not for the 2016 demonetization, or the spotty implementation of a badly designed goods and services tax. The bond market does provide an alternative.

But more worryingly, and to Team Modi's disappointment, animal spirits aren't reviving quickly enough – despite simultaneous fiscal and monetary stimulus, as well as regulatory easing and \$39 billion in central bank liquidity infusions since May.

The bond market is holding this campaign hostage.

If the 10-year yield stays elevated despite slowing growth and inflation, high real long-term interest rates will further depress private borrowers' sentiment. And this when nonbank lenders' moods are already sullen. The sudden bankruptcy of an infrastructure financier last September has raised their funding costs; a housing glut is adding to the nervousness around builders' debt. With credit-risk premiums unlikely to narrow any time soon, it's all the more important that India's risk-free rate should fall.

Also Read: Global Markets come under the grip of coronavirus

Amazon.in Widgets

CAMS: Most Exciting IPO Opportunity

Why invest in CAMS IPO?

Computer Age Management Services Limited (CAMS) is India's largest registrar and transfer agent of Mutual Funds with an aggregate market share of approximately 70%, based on Mutual Fund Average Assets Under Management (AAUM) managed by its clients and serviced by it during July 2020, according to the CRISIL Report.

- *Largest infrastructure and services provider in a large and growing Mutual Funds market.*

The ten-year CAGR of QAAUM (Quarterly Average AUM) of Mutual Funds between March 2010 and March 2020 was 13.4% according to the CRISIL Report, while the ten-year CAGR of QAAUM of Mutual Funds serviced by CAMS over the same period was 15.8%.

- *Integrated business model and long-standing client relationships in our Mutual Funds services business*

Its pan-India physical network comprises of 271 service centres spread over 25 States and 5 Union Territories as of June 30, 2020. Its Mutual Fund clients include 4 of the 5 largest Mutual Funds as well as 9 of the 15 largest Mutual Funds based on AAUM during July 2020.

- *Established track record of delivering robust financial results*

Its total income for the three months ended June 30, 2020, and the Financial Year 2020 was ₹1,634.61 million and ₹7,213.43 million, respectively. Its profit after tax for the three months ended June 30, 2020, and the Financial Year 2020 was ₹408.25 million and ₹1,734.56 million, respectively.

Issue Details				
Issue dates		Issue Price*	Lot Size	Issue Size
Open	Close			
September 21, 2020	September 23, 2020	₹1,229 - ₹1,230 per share	12 shares and in multiples thereof	₹2,242 Cr (Calculated at higher Price Band)
<p>*A discount of ₹122 per Equity Share is being offered to eligible employees bidding in the Employee Reservation Portion. Investors are advised to refer to the Red Herring Prospectus dated September 11, 2020 (RHP) and the "Risk Factors" beginning on page 20 of the RHP before applying in the offer. A copy of the RHP will be made available on the website of SEBI and the websites of the BRLMs.</p>				

One World, One Sun, One Grid: Is it possible?

With war clouds hovering around several Nations in the world, will it be ever possible for us to see a One World One community?

One basic need of the humans – Energy – seems to have the potential to bring and connect people of the world to come together cutting across geographical barriers.

September 8, 2020. The International Solar Alliance (ISA) organised a virtual World Solar Technology Summit.

India's Prime Minister Narendra Modi was earlier expected to deliver the inaugural address but could not do so because of some other engagements. His message was read out by the New and Renewable Energy Minister R K Singh.



The PM Modi expressed his visions on humanity and the global use of clean energy supplies across nations. He mentioned the idea of 'One World, One Sun, One Grid'. The Prime Minister also mentioned that ISA is part of this project which can bring transformational benefits for the entire humanity.

The PM Modi made it clear that his government wants to take solar energy to all villages of India and replace fossil fuels with this clean source in agriculture.

India's existing clean energy capacity is 134 GW. It will be scaled up to 220 GW by 2022.

The PM Modi exuded confidence that India will reduce energy tariffs further through technological advancements. A further reduction in the cost will provide a major boost to the use and expansion of renewable energy.

Five public sector undertakings (PSUs) – Oil and Natural Gas Corporation Limited (ONGC), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited (HPCL) and GAIL (India) Limited – under the Petroleum and Natural Gas Ministry may join ISA's Coalition for Sustainable Climate Action (ISA-CSCA) as corporate partners.

	Current Market Price (Rs)	% Change over Prev Close
BPCL	412.7	+2.9
HPCL	198.7	+0.63
GAIL	94.55	-1.25
ONGC	74.45	-2.62
IOC	82.75	-1.25

Time to invest in PSUs

Oil Minister Dharmendra Pradhan said the PSUs will be active contributors to ISA's Corpus Fund.

Pradhan stated that the government is actively encouraging the industry, oil and gas companies in particular, to become participants in this transition to solar energy. The mission

of solarising nearly 50 per cent of fuel stations owned by public sector oil companies in the next five years is in progress. The oil and gas companies are deploying solar panels across the value chain of their operations. The current installed solar power capacity is 270 MW. An additional 60 MW solar capacity will be added in one year.