



MONTHLY MARKET UPDATE	01
MONTHLY INDICES PERFORMANCE	02
FILING ITR? MAKE SURE TO CHECK YOUR LATEST FORM 26AS FIRST	05
KNOW HOW MUCH RISK IS TOO MUCH RISK FOR YOU	07
KEY THINGS TO KNOW BEFORE YOU INVEST IN BONDS	09
WHY YOU ALWAYS NEED TO HAVE HOME INSURANCE	11
INDIAN BANK STOCKS AMONG MOST-TRACKED	13
TECH REVIEW	14

Editor : Swati Jain

Research & Editorial : Arpit Jain,
Jay Sahu and Abhishek Bhatt

Production : Rahul Sharma

Advertising : Abhishek Bhatt : +91 8975029992

Address your Correspondence to :
Editor , Arihant Platinum Arihant Capital Markets Limited 6
Lad Colony, Indore
Madhya Pradesh - 452003

Email : wealth@arihantcapital.com

SEPTEMBER 2020

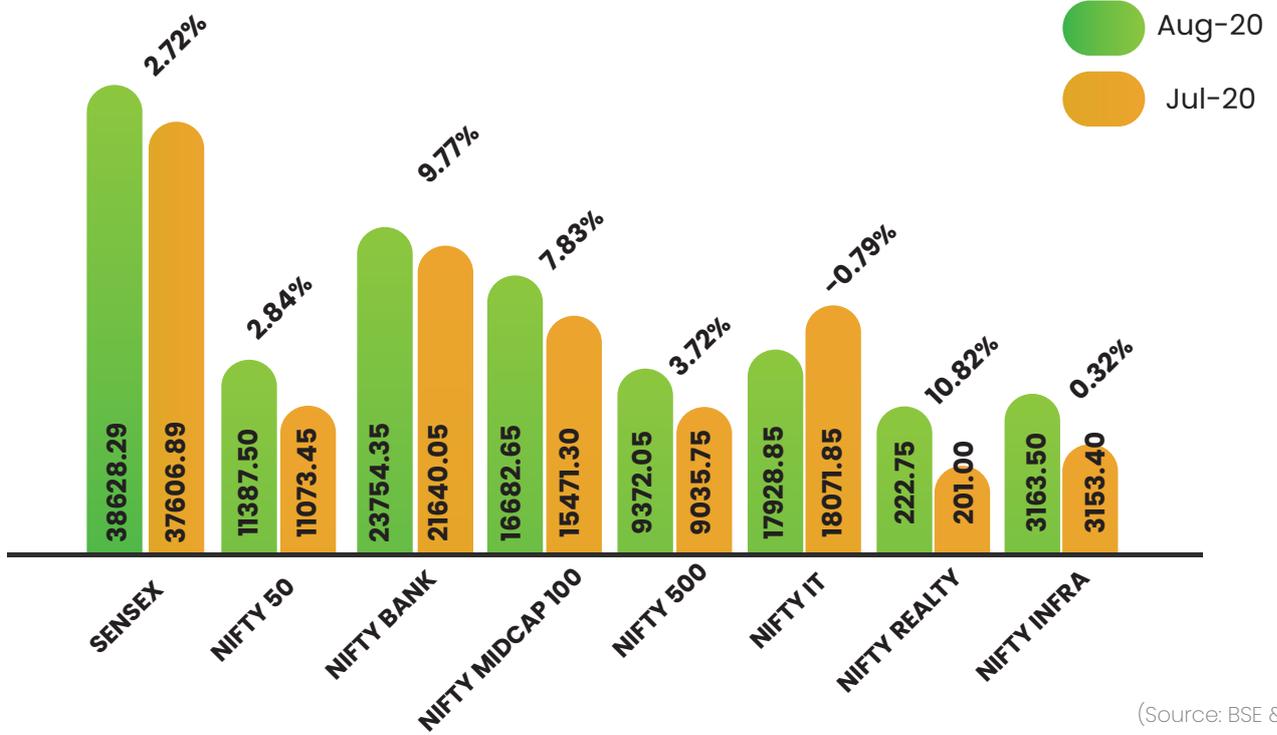
VOLUME XVII

MONTHLY MARKET UPDATE

- In August 2020, Domestic market moved positively with benchmark Sensex and Nifty Index both ending the month with 3% gains. Market rally was boosted from the lows of April & May, on the back of gradually opening up of the economy, positive development on Vaccine front, further expectation of monetary and fiscal support by the Government and improving Economic indicators.
- With 74%, FDI has been allowed in the defence sector in India through the automatic route which proves a major push for 'Aatmanirbhar Bharat' in defence manufacturing. So, Defence sector will be in focus. We have also seen recovery in Auto sales numbers primarily in, Tractor, 2W and Passenger vehicle sales.
- On the sectoral front, Media index has outperformed the other indices with Metal, Realty, Nifty Bank and Auto ended in the green, while selling witnessed in Nifty IT and FMCG sector. Nifty Media was the best performing sector which rose by 22.4%, followed by Nifty Metal with 12.7% gain, Nifty Realty at 10.8% gain and Nifty Auto at 7.7% gain for the month of August. Other major sectoral indices which saw positive momentum during the month are Nifty Bank which has gained 9.8% and Nifty Financial Services at 6.2% gain. On account of some profit booking activity, Nifty IT, Pharma and FMCG ended the month with marginal decline of 0.8%, 0.6% and 0.9% respectively.
- Covid related lockdown that has stalled economic activity for most of the sector has led to India's GDP in the first quarter shrinking to the lowest level on record. India's economy contracted sharply by 23.9% in Q1 FY-21. Lockdown pain has been felt across both industrial (-38%) and services (-20.6%) sector with sharp contraction.
- Global indices such as Dow Jones, NASDAQ and S&P 500 ended the month with strong gain at 7.6%, 9.6% and 7% during the month of August. At annual Jackson Hole symposium, Fed Chair Powell indeed reset FED's monetary policy goal to average inflation targeting. This means FED will allow inflation to run moderately above the FED's 2% goal for some time in order to support the labour market and broader economy.
- US presidential election, Fresh tension between US-China and increasing number of Covid cases are a looming uncertainty. US' NASDAQ +10%, US' Dow Jones & S&P 500 index closed in positive territory with 7.6% & 7% gain respectively. Whereas Nikkei and FTSE 100 closed with a gain of 6.6% & 1% in the month of August.
- 10 years Govt bonds yield close at 5.93%

MONTHLY INDICES PERFORMANCE

INDIAN INDICES



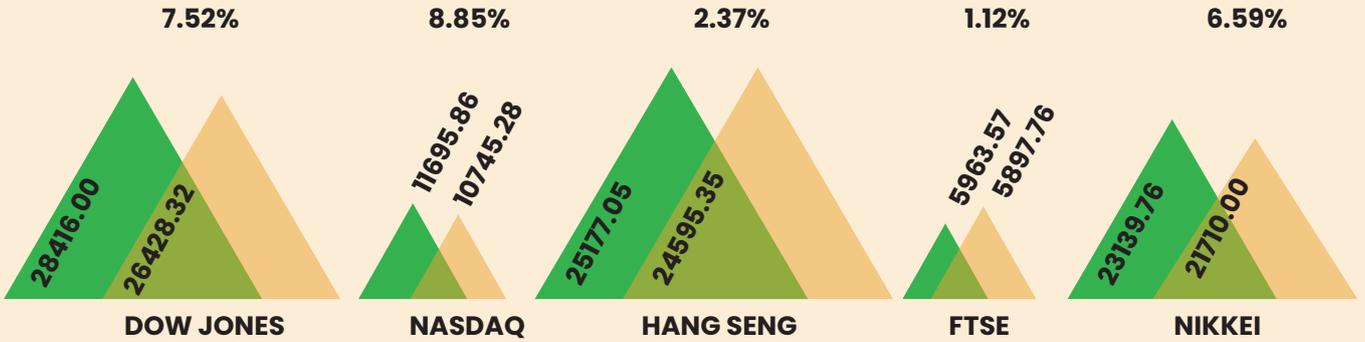
BSE SECTORAL INDICES



MONTHLY INDICES PERFORMANCE

GLOBAL INDICES

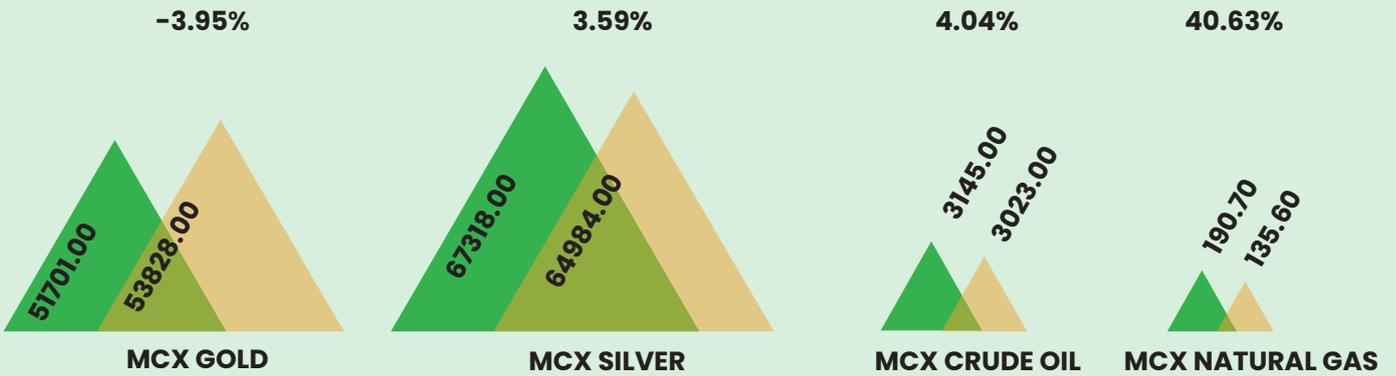
Aug-20 Jul-20



(Source: CNN)

Aug-20 Jul-20

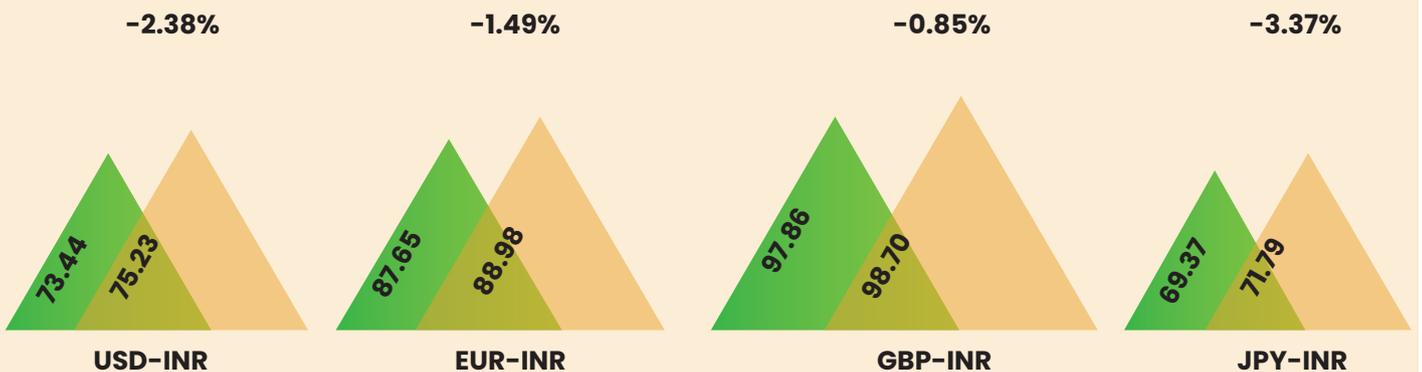
COMMODITIES



(Source: Falcon)

FOREX

Aug-20 Jul-20



(Source: Falcon)

MONTHLY INDICES PERFORMANCE

FII Activity (Rs cr)

Total for Aug 2020

Total for 2020*



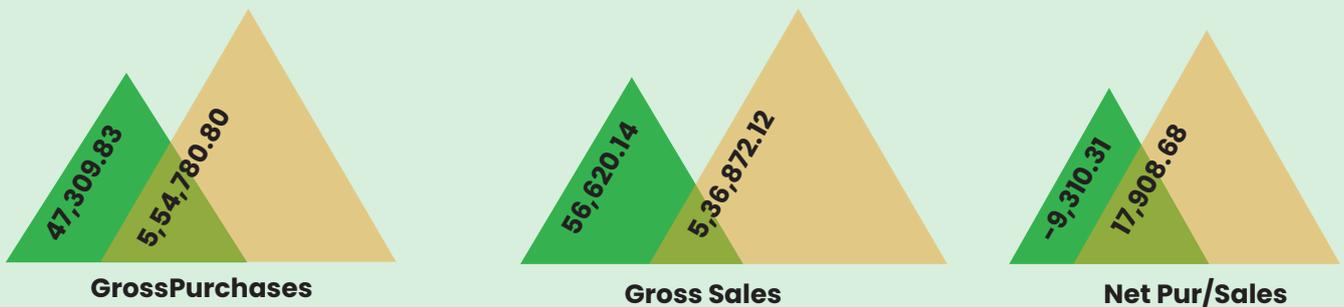
*Till Aug 2020

(Source: SEBI)

Total for Aug 2020

Total for 2020*

MF Activity (Rs cr)



*Till Aug 2020

(Source: SEBI)

FILING ITR? MAKE SURE TO CHECK YOUR LATEST FORM 26AS FIRST — HERE'S WHY

Form 26AS (Annual Tax Statement) is an essential document for taxpayers containing details of all the taxes tagged against a taxpayer's PAN and serves as an important reference while filing income tax returns (ITR). To usher in enhanced transparency between tax authorities and taxpayers, the Finance Act, 2020 introduced changes to the existing Form 26AS and mandated certain additional information to be included in the new Form 26AS.

Multiple information in respect of a taxpayer, such as sale/ purchase of immovable property, share transactions, etc., is collected by tax authorities from the annual information statements filed by intermediaries such as banks, registrar of immovable property, companies issuing shares, etc. This information is also provided to the taxpayer in Form 26AS so that it can be used for making correct disclosures in the ITR.

■ Revised Form 26AS

With effect from June 1, 2020, the Central Board of Direct Taxes (CBDT) has revised the Form 26AS to include additional information relating to Specified Financial Transactions (SFT), demands and refunds, completed and pending assessments, etc. The new form is an extension of the earlier version wherein new details will be added to the existing data fields.

The ambit of information has been enlarged to cover inputs from various sources so that the taxpayers have a fair idea of the nature of their financial transactions and can refer to these details while filing their income tax return. The updated Form 26AS will consist of the below mentioned information, in addition to the details (such as PAN, address, details of TDS, details of tax collected at source, details of taxes paid during the year) which were already available:

- **Personal details such as, date of birth/ incorporation, mobile number, address, e-mail id**
- **SFTs such as donations, forex transactions, acquisition of shares from companies, buy back of shares**
- **Tax demands**
- **Details of pending and completed assessment proceedings**
- **Details of information received from foreign jurisdictions under Exchange of Information (EOI) clause of tax treaties.**

The CBDT has issued a press release on July 18, 2020, stating that taxpayers will see an improved Form 26AS which would carry some additional details on taxpayers' financial transactions as specified in the SFTs in various categories. In fact, SFTs are transactions with specified threshold under the I-T Act and include certain cash transactions, investment in time deposits, purchase of bonds, debentures, shares or mutual funds, payment of credit card bills, purchase of foreign currency, purchase/ sale of immovable property, etc

- **For example**, if you purchased foreign exchange of Rs 10 lakh or more during the financial year, this transaction would appear in your updated Form 26AS. The press release has further clarified that the SFT details available with the tax authorities would be reported in Part E of the new Form 26AS. It would include type of transaction, name of taxpayer who submitted the SFT, date of transaction, single/joint party transaction, number of parties, amount, mode of payment and remarks, etc

FILING ITR? MAKE SURE TO CHECK YOUR LATEST FORM 26AS FIRST — HERE'S WHY

■ Better disclosure while filing ITR

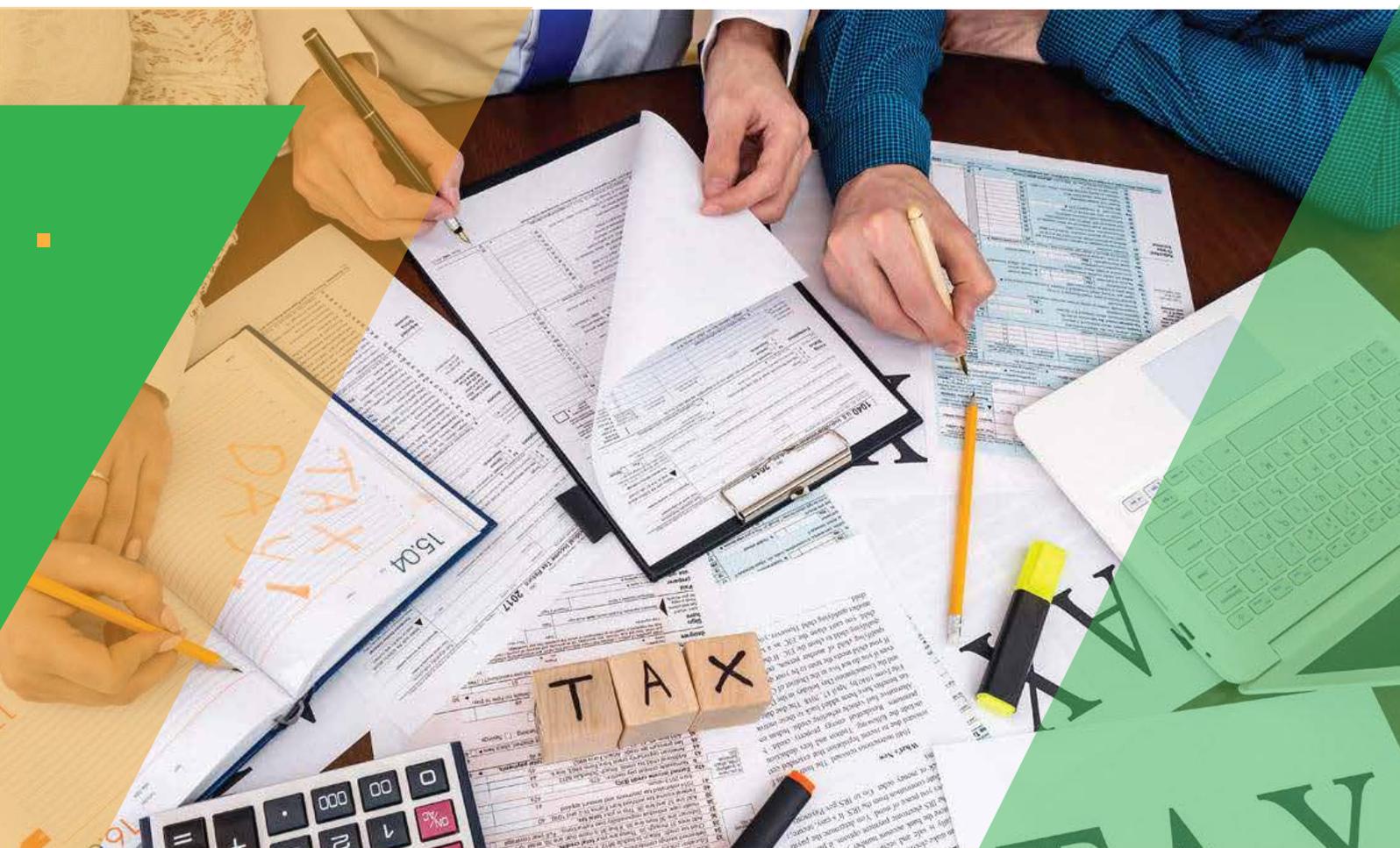
A lot of information which was otherwise available with the tax authorities will now be available with taxpayers and can be referred to while filing ITR. This will ensure increased compliance and better disclosure while filing returns which would result in reduced litigation and an environment of trust between the taxpayers and the tax authorities.

This will also reduce the element of uncertainty which taxpayers had to face at the time of scrutiny of tax returns and the time spent in scrutiny proceedings. Overall this would bring in further transparency and accountability in tax administration.

The changes in Form 26AS would serve dual purpose as honest taxpayers would be enabled to file accurate ITR with the help of updated information on their financial transactions and it would discourage those who conceal information about specified financial transactions.

For example, a person earning foreign income and qualifying as tax resident in India is required to file his ITR, disclosing his foreign income and assets and should therefore file his ITR appropriately by disclosing the income and assets which are required to be reported in India.

As the tax return filing deadline for FY 2019-20 approaches, taxpayers should download their latest Form 26AS, reconcile the numbers and remit taxes as due, before filing ITR.



KNOW HOW MUCH RISK IS TOO MUCH RISK FOR YOU

It is important to understand the concept of risk tolerance and assess the same. Every investor needs to understand how much risk he is willing to take and what type of risks he is more concerned about. Risk tolerance is a function of various factors such as age of the investor, investment goals, horizon of holding period, other financial commitments, etc. It is often misunderstood by the investors and there exist some difficulties in measuring the same. Let us discuss in detail risk tolerance and how to measure the same.

What is risk tolerance

From the investment science perspective, risk tolerance is nothing but the amount of risk that an investor is comfortably taking or the degree of uncertainty that an investor is able to handle.

In other words, it is the point at which you can no longer take a stock market downturn and move your money into cash. We all have a tipping point and it is important to find it. Often this term is confused with risk capacity. Risk capacity is the magnitude of risk that an investor should take to achieve the desired financial goals. It can be measured examining the holding period and income requirements. For instance, if you are a high net worth individual then you would have a high capacity for risk during a market downturn. You would have enough assets to live off on during this time period.

Measurement of risk tolerance

Measuring risk tolerance accurately is slightly tricky. There

are two common methods to estimate an investor's tolerance for risk. The first method is a clear understanding of the investor and his history with investment securities. The second method is to use a questionnaire designed to elicit feelings about risky assets and the comfort level of the investor given certain changes in the portfolio.

The various questions capture the investor's attitudes, current behavior, feelings, age, life stage, portfolio size, personal comfort level, income, financial goals, etc.

Risk tolerance of an investor also changes over a period of time with changes in market shifts, life events, etc.

Generally, risk tolerance can be assessed by a professional financial planner who could use any one of the above methods or combine more than one method.



KNOW HOW MUCH RISK IS TOO MUCH RISK FOR YOU

■ Why risk tolerance is important

Assessment of risk tolerance is part and parcel of appropriate asset allocation and help in constructing optimal portfolios. Investing without considering risk tolerance is like sleepwalking to the edge of a cliff. Assume that you are investing in shares without thinking about how you will react if their value drops. A big danger then is freaking out and fleeing the market. Then you are falling into the common investing mistake of selling low. Another danger is playing it too safe if you do not take a reasonable amount of risk to reach goals. Taking a slightly more aggressive position to get better returns can make a huge difference over the long haul.

Investors in consultation with financial planners must assess their risk tolerance for the best asset allocation strategies. Assessing your risk tolerance may not guarantee you will sleep better but will provide you a basis of what you can withstand.

■ Appetite for risk

- Risk tolerance is the amount of risk that an investor is comfortably taking while risk capacity is the magnitude of risk that an investor should take to achieve the desired financial goals
- One way to estimate an investor's risk tolerance is to have a clear understanding of the investor and his history with investment securities
- The second method is to use a questionnaire designed to elicit feelings about risky assets and the comfort level of the investor given certain changes in the portfolio



KEY THINGS TO KNOW BEFORE YOU INVEST IN BONDS

Conservative investors in India flock to fixed deposits when in doubt. However, fixed deposits have lost their shine of late. Interest rates have been dipping and risk-averse investors seem to be left with no options.

Bonds are a good alternative in such cases, but one needs to know how they work before investing. Let us have a look.

■ HOW BONDS WORKS

Put simply, bonds are the opposite of loans.

When you take a loan, you borrow money from someone, so you become a borrower. When you take a bond, you lend money to someone, so you become a lender.

Bonds are issued with a "face value". This is what you receive when the bond matures. Along with this, you receive interest on the amount you invested in the bond. This guaranteed interest payout is called "coupon rate". The "yield to maturity", on the other hand, is the effective rate of interest you get when you equate the bond's coupon payments, amount received at maturity, and any accrued interest to the current price of the bond.

Bonds are usually long-term instruments. The period for which the bond is taken for is called "term to maturity".

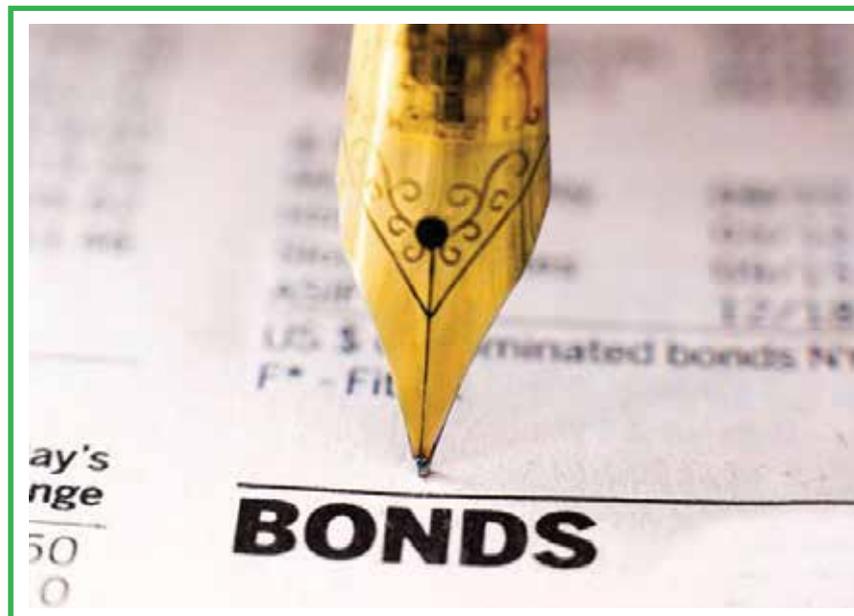
■ TYPES OF BOND ISSUERS & RISKS ASSOCIATED

There are majorly two types of risks associated with bonds: risk of default and interest rate risk. The risk of default is the probability that the bond issuer will not repay the amount invested in the bond. This depends chiefly on the type of issuer and their creditworthiness. Bonds can be issued by the government, government bodies, public sector undertakings, financial institutions, and corporate entities. Bonds issued by the government are the safest since there is little or no risk of default. The risk of default of any bond can be gauged by the bond ratings issued by ratings agencies like CRISIL, ICRA, or CARE.

The other type of risk associated with bonds is interest rate risk. Bond prices can fluctuate with market movements and economic trends. When interest rates in the market go down, bond prices go up. This is because investors may flock to stable investments like bonds as they are not getting good returns from traditional risk-free investments like deposits. This drives up demand for bonds. However, this also drives down the yield to maturity since the investor has paid a premium on the current price of the bond. This leads to interest rate risk.

■ INVESTING IN BONDS VS BOND FUNDS

Since bonds are long-term investments, the maturity value is realised only if the bond is held until maturity. If you want to exit earlier, you can trade the bond in the secondary markets but this requires knowledge of the bond markets and a keen eye on interest rate movements. An alternative way is to invest in bond funds. Bond funds are mutual funds that invest in different bonds as per the fund's theme. This takes away the burden of having to analyse bond price movements or market rates. Thus bond funds are a highly defensive investment since bonds themselves are nearly free of the risk of default if the issuer has a high credit rating, and the diversification afforded by the bond fund takes out much of the interest rate risk.



KEY THINGS TO KNOW BEFORE YOU INVEST IN BONDS

However, a note of caution is relevant here. There is a human element in the management of bond funds: the fund manager.

It is advisable to invest in bond funds managed by fund managers who have been in the business for long and have a track record of consistently profitable returns from the funds managed.

Bonds can be your go-to option when interest rates are going down. But, as in all investments, carefully assess the instrument and the markets before investing.

■ BONDS OF SAFETY

Bonds are issued by PSUs, the government, government bodies, financial institutions, and corporate entities. Risk of default of any bond can be gauged by the bond ratings issued by CRISIL, ICRA, or CARE.

Bond funds are a highly defensive investment since bonds themselves are nearly free of the risk of default if the issuer has a high credit rating. Diversification afforded by the bond fund takes out much of the interest rate risk in individual bonds.



WHY YOU ALWAYS NEED TO HAVE HOME INSURANCE

On an average we spend a big part of our lives paying our home loans but we forget one essential protection measure: home insurance. Anyone who is the owner or occupant of a property can purchase a home insurance policy. Individuals who have rented a property can also apply for a home insurance policy. Home insurance provides coverage against fire and allied perils, burglary, theft, terrorism, etc., for building, contents, jewellery and valuables, curios and works of art.

Additionally, if a person is staying on rent, he can buy insurance for contents he owns as assets are also valuable and any damage to them can lead to a financial loss.

You can opt for loss of rent cover which is of help if rental property gets destroyed due to some peril, and your tenant vacates it. Some home insurance policies also give customers an option to buy a policy for a period as low as one day to a long-term period of up to five years. The policy can also be extended to organisations or firms who are owners of a property that is being used for residential purposes by employees, partners or other invitees. Why is home insurance important?

■ SECURITY AGAINST NATURAL CALAMITIES

One of the biggest losses in any natural calamity is the loss of one's home. During such calamities a drastic difference has been noted between the incurred economic loss and the insured losses. Thus, opting for home insurance is a step towards protecting your home against natural calamities where you can shield not only the structure of your house but also the contents.

■ PROTECT CONTENT, VALUABLES

Under home insurance, an individual can insure the contents at home such as your home appliances, furniture, clothes, portable equipment such as cell phone, laptop, television, etc. Valuables such as jewellery can be separately covered under home insurance as well. You can also insure the jewellery you are wearing not just at home, but also while travelling anywhere in the world.



WHY YOU ALWAYS NEED TO HAVE HOME INSURANCE

■ COVERS RISK ARISING DUE TO FIRE & THEFT

In case of incidents such as fire, a home insurance policy not only helps you with the cost of construction as per your policy terms and conditions, but also offers add-ons such as resettlement cover for situations when you need to relocate due to severe damages at your home. In case of a theft in an insured's home, a home insurance policy can cover stolen or damaged contents as well.

■ PROTECTION TOWARDS LIABILITIES

At times, physical or property loss of a third person caused by some accident at your home, for instance— a cylinder blast or perhaps a repair activity at your home may cause a loss to your neighbour's property. All such contingencies can be effectively covered under home insurance by opting for public liability coverage.

■ FLEXIBLE VALUATION

Home insurance provides you the flexibility to choose your preferred type of home insurance as in on agreed value basis where the loss is settled by the insurer on the value of the property or content agreed by the insured at the time of purchasing the insurance policy.

It can also be on reinstatement basis where the insurer will settle the loss by replacing the damaged property or item with a new one, or indemnity basis where the insured will get the compensation as per market value of the house/ item damaged after a deduction for wear and tear.

■ ADD-ON COVERS

Home insurance has add-on covers such as loss of rent, temporary resettlement cover, public liability, dog insurance cover, ATM withdrawal cover, lost wallet cover, key and lock replacement cover which provides wider protection for your home.

Home insurance is considered to be expensive but premium for it can be as low as 5 per day. Most people realise the importance of home insurance only after they have suffered losses but that can be too late.



INDIAN BANK STOCKS AMONG MOST-TRACKED

Domestic banks feature in the list of corporations that are tracked by maximum number of analysts globally. Topping the chart is Chinese e-commerce giant Alibaba, tracked by 64 analysts. Private sector lenders Axis Bank, HDFC Bank, IndusInd Bank, and ICICI Bank are among the top six most-tracked, with at least 56 analysts giving their views on their stocks.

Social media company Tencent is another Chinese firm in the list, while Amazon and Facebook are the only US-based companies among the top 10. Market experts said given the banking sector's dominance in the Indian markets, it is not surprising that they are widely followed by analysts.

ALL EYES ON...

Ten companies that are tracked by maximum number of analysts globally

No. of analysts	Buy	Sell	Others	Mcap (\$bn)	YTD change (%)	
Alibaba	64	63	0	1	679	19
Axis Bank	57	43	1	13	18	-42
HDFC Bank	56	50	1	5	76	-19
Tencent	56	54	0	3	626	35
Indusind Bank	56	34	9	13	5	-66
ICICI Bank	56	56	0	0	31	-33
Amazon	54	50	1	3	1576	70
Bajaj Auto	54	25	9	20	12	-6
Facebook	54	46	3	5	744	27
State Bank of India	53	47	2	4	23	-41

Because of this year's underperformance, the financial sector's weighting in the Nifty has come down from near 40 per cent levels. It still remains the sector with the highest weighting. Also, some lenders, including HDFC Bank and ICICI Bank, are listed in the US as well, which too, boost their analyst coverage.

Other factors that influence analyst coverage include market capitalisation, corporate governance, and listing jurisdiction. Maruti Suzuki is the 11th most-tracked firm

The stock is widely tracked by Japanese analysts as its performance has significant bearing on Tokyo-listed Suzuki Motor.

TECH REVIEW:

ALL - TIME FAVOURITE APPS



■ Youper

It's like a pocket AI therapist, which is always there to talk. Quick conversations with Youper can help you understand yourself, regulate your emotions, and improve your thoughts.

iPhone/iPad iOS 11.0 Freemium
Android OS 7.0 Freemium



■ Drops

Drops app helps you learn new vocabulary through fun, fast paced games with simple mnemonic images. You just need to spend only 5 minutes a day to learn and practice a new language.

iPhone/iPad iOS 10.0 Freemium
Android OS 4.4 Freemium Share The Meal

■ Share The Meal

Share The Meal is the charity app by the United Nations World Food Programme (WFP) that enables you to feed a child for one day by donating as little as 230, just with one tap on your smartphone.

iPhone/iPad iOS 11.0 Free
Android OS 6.0 Free

■ Mighty – Self Defense Fitness

Get in shape, lose weight, and learn to protect yourself against anything from street harassment to physical attacks.

iPhone iOS 11.0 Freemium

TECH REVIEW:

ALL - TIME FAVOURITE APPS

■ **Quiver 3D**

This app is perfect for parents to engage their kids with some traditional coloring-in the drawing pages first and then watching them play with the characters/objects in the drawing using the phone's camera

iPhone/iPad iOS 11.0 Freemium

Android OS 4.4 Freemium

■ **Farfaria**

Turn your kids' screen time into reading time with Farfaria. Farfaria is a digital library of over thousands of eBooks for children aged 1-9 years, featuring educational books, bedtime stories, nursery rhymes, sing-along songs and more

iPhone/iPad iOS 11.0 Freemium

Android OS 4.4 Freemium

■ **Lark Health**

AI-powered Lark is kind of your 24/7 health coach that chats with you to offer valuable insights into your daily (physical activity, meal choices, and sleep cycle in order to help you lose weight and maintain a healthy lifestyle

Phone/iPad iOS 9.0 Freemium

Android OS 4.4 Freemium

■ **BrainPOP ELL**

BrainPOP ELL is a comprehensive English language learning program for students (age 6+) that uses engaging animated movies to model conversational English iPhone/iPad iOS 9.0 | Freemium

Android OS 4.4 Freemium

■ **Cardskool**

It's a learning app for toddlers and preschoolers that combines Augmented Reality with traditional flash cards, bringing forth the advantages of immersive learning and technology in education.

iPhone/iPad iOS 9.0 Freemium

Android OS 5.1 Freemium

■ **Expeditions**

Whether you want to have a closer look at sharks in AR or enjoy a field trip to Paris in VR. Google's Expeditions app has a wide variety of AR R/VR based free content, all designed for your infotainment purposes.

iPhone/iPad iOS 10.0 Free

Android OS 4.4 Free



TECH REVIEW:

ALL - TIME FAVOURITE APPS

■ Reflectly

Reflectly is an innovative question-based journaling app that uses artificial intelligence (AI) to help you structure and reflect upon your daily thoughts and problems iPhone/iPad iOS 8.0 Freemium

Android OS 4.1 Freemium

■ Splitwise

Whether you want to split a rent with your flatmates or group trip expenses with your friends, Splitwise makes it easy to work out exactly who's supposed to pay what, and to whom

iPhone/iPad | iOS 11.0 | Freemium

Android OS: Varies with Device | Freemium

■ Otter Voice Notes

This app can be used to remember and review key points from all kinds of conversations, such as online and in-person meetings, lectures, and presentations. It auto-transcribe your voice recordings into searchable text notes.

iPhone/iPad iOS 10.0 Freemium

Android OS 5.0 Freemium

■ Civilisations AR

Civilisations AR app features a virtual collection of over 40 historic artefacts, letting you discover the secrets of ancient Egypt, reveal hidden layers beneath Renaissance masterpieces and more

iPhone/iPad | iOS 11.0 Free

Android OS 7.0 Free

■ Motivation - Daily Quotes

This app contains hundreds of inspirational thoughts and sayings with deep and rich meanings, offering you a little dose of "pick me ups" throughout the day

iPhone/iPad iOS 10.0 Freemium

Android OS 4.4 Freemium

■ Be My Eyes

Available in over 180 languages, Be My Eyes app enables visually impaired users to make a video call to sighted volunteers to get help with anything from simple tasks, like checking expiry dates or distinguishing colors, to more complicated situations, like navigating new surroundings or finding a lost item

iPhone/iPad iOS 11.0 Free

Android OS 4.4 Free

■ Plantale

Using the AR tech, this app teaches you about how plants grow and thrive over time. You can observe the growth stages of a plant from a simple seed, discover how the plant reproduces to form this seed, and learn all about the anatomy and morphology of all plant parts

iPhone/iPad iOS 12.0 | Paid (\$0.99)

WHAT SHOULD YOU DO IN VOLATILE MARKET CONDITIONS?



Always aim to "buy low and sell high", redeeming now means you are doing exact opposite.

Despite short term volatility, markets have created wealth over the long term

Staying invested across market cycles helps you to reap the benefit of compounding

Spend more time in the market to create potential wealth than timing the market

Missing just a few best days in market can substantially reduce your returns potential as shown in the illustration below.

	Compounded Returns	Value of Rs. 10 lakh invested on Jan 3, 2005 (Rs.)
Missed 5 Best Days	7.83%	31,74,400
Missed 10 Best Days	5.67%	23,29,210
Missed 15 Best Days	3.78%	17,65,313
Missed 20 Best Days	2.00%	13,53,776
No Missed Days	11.14%	50,48,152

So stay invested through market ups and downs and you could benefit over the long-term

www.arihantcapital.com

SEBI Registration number for BSE/NSE (Stock Broker)- INZ000180939; NSDL - IN-DP-127-2015 DP ID-IN301983; CDSL DP ID-43000;

NCDEX - 00080; MCX - 10525; AMFI - ARN 15114; SEBI Merchant Banking Regn. No. - MB INM 000011070;

SEBI Research Analyst Regn. No. - INH000002764 and SEBI PMS Regn. No. - INP000006660.

Security Code- 511605 CIN of the company- L67120MP1992PLC007182

