

# ***Business Acutities***



***International business  
December 2019***

## CONTENTS

<b>S.NO</b>	<b>TITLE</b>	<b>PAGE NO</b>
<b>1</b>	<b>STOCK MARKET</b>	<b>4</b>
<b>2</b>	<b>TECHNOLOGY AND TRENDS</b>	<b>8</b>
<b>3</b>	<b>EDUCATION</b>	<b>11</b>
<b>4</b>	<b>LOGISTICS NEWS</b>	<b>12</b>
<b>5</b>	<b>GLOBAL ECONOMY</b>	<b>14</b>
<b>6</b>	<b>PANDEMIC NEWS</b>	<b>15</b>

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## STOCK MARKET

6th December, 2019



### At last inflation worries pull the trigger

Markets stayed resilient in spite of GDP weakness and negative macros but by the end of the week, inflation became a scapegoat that caused the hammering in the markets. In fact, RBI's status quo acted as a mood spoiler; an interest reduction was very much needed to kick start the economic engine but RBI threw the ball back into the Government's court which actually cracked the whip on the market. Going forward, the budget in 2020 will be the next major turning point as far as domestic factors are concerned, but until then international factors will keep the markets on its toes. One good thing is that liquidity inflows are strong which will prevent the markets from correcting heavily in terms of price but correction by time will continue till the beginning of next year.

November Auto sales numbers, even though showed slight improvement compared to the previous month, have overall been lower on a YoY basis. The expectation of a strong pick-up isn't entirely visible in the current month's auto numbers. Higher CPI numbers due to supply constraints will also act as an impediment for quick economic growth. The sooner the CPI numbers cool down the better it is for economic recovery.

### Event of the Week

Investors were taken aback by RBI's decision to put a pause on the rate cut spree. In the past, RBI had cut interest rates for 5 consecutive times and this could have been the sixth, but cut did not happen. This indicates that there is little room for monetary easing after full year of rate cuts. Going forward RBI too has moved to wait and watch mode to see how the economy moves.

### Technical Outlook



Nifty50 has changed its bias from uptrend to corrective stance. Double

top stands confirmed which will make markets correct either time or price wise or both. Generally, such corrections take lot of time to correct. Momentum indicators had already weakened now it is visible in the price action. Traders are advised to book profits in long positional trades and initiate short on rallies keeping weekly highs as stops.

## **Nifty50 Update 06 December 2019**

### **Expectations for the Week**

Markets are expected to remain volatile in the coming week as many factors, globally and stock specific will influence the bourses. US Fed Meeting outcome, advancement in Trump's impeachment process will be major international events while listing of Ujjivan Small Finance Bank IPO, fundraising by Yes Bank will be some domestic factors traders can keep an eye on. Investors can look at selective stock pockets which are giving an opportunity to accumulate as these companies are available at decent valuations. Metals, refining, beaten down infrastructure stocks are a few areas which have opportunities. Nifty closed the week at 11921.50, down by 0.80%.

### **13th December, 2019**

### **Bullish on Nifty but for how long?**

The week began in red with markets showing signs of a correction but thereafter Nifty50 bounced back due to the liquidity inflows especially from domestic investors.

Additionally, global cues kept the markets buoyant as there were no negative shockers. Instead, there seems to be some relief on the trade war front as the US President agrees on a phase one deal with China. Postponement of new tariffs on Chinese goods is a sigh of relief not only for the Chinese economy but for many others across the globe. In the bay as well, IPOs seem to be the mood of the season as investors pick up Ujjivan Small Finance Bank in hoards. All these factors are keeping Indian markets afloat as the undertone seems strong on the back of domestic institutional investors who are not willing to liquidate their holdings.

The Government too is stepping out of their comfort zone and firing all cylinders to push the growth rate. Recently, it made further amendments to the Insolvency and Bankruptcy Code by giving immunity for offences committed by previous managements or promoters, if any. Given the underlying slowdown in economy, such Government dispositions are sending apt signals which could boost the economy.

## Event of the Week

In the recent Fed Meet, Chairman Jerome Powell envisions good visibility for the US economy for the next 1 year. A status quo stance implies for sustained expansion of economic activity which will further boost demand. Now, as the CRB Commodity Index is trading at its 10-year lows, it has very high chances of rising in the future given that demand is likely to pick up. Base metals and to some extent steel stocks should start giving out handsome returns to shareholders.

## Technical Outlook

Nifty50 continues to show bullishness as it heads towards 12,100 levels. It has made double bottom within a period of 3-4 weeks which indicates bullish bias in the medium term. It bounced back after taking support at 11,800, thereby showing strength. On the weekly chart, a hammer pattern is formed indicating further upside with profit booking likely to be faced at 12,150. Traders should buy on dips with weekly lows as stops.

## Nifty50 Update 13 December 2019

### Expectations for the Week

After Boris Johnson wins the UK elections by a majority, markets will keenly await the verdict on Brexit as

fate of Indian companies having an exposure to the EU lies on this deal. Additionally, GST council's meet next week will also keep the Street under pressure as there are expectations of tax hikes for certain goods. If rates increase then markets may witness corrections from current levels. Investors can invest in cyclical, commodity related stocks with a focus on metal stocks. Nifty closed the week at 12086, up by 1.4%.

## Stock Market Updates for December, 2019

### 20th December, 2019

Markets climbing a wall of worry

Much to everyone's surprise, Nifty and Bank Nifty touched new highs this week. Buoyancy was visible in equities across the globe in spite of rich valuation concerns, trillions of dollars in negative interest rates, Trump's impeachment and other geo-political unfavourable equations. FIIs spearheaded the indices with aggression which led the bourses to attain higher levels, while DIIs showed hesitation and shied away from investing in the market. This divergent behaviour between FIIs and DIIs show that Mr. Market is now climbing a wall of worry. Currently, there are only a few stocks making 52Week Highs

which is one of the least in the past few years, whenever indices have touched new highs. This is indeed worrisome as majority of small and mid-caps are still languishing near their 52 Week lows. All these facts point out that there is still a long way to go before markets achieve their true bullish potential.

Maximum bullishness is still far away albeit with scepticism! Increase in number of stocks in F&O ban or a line-up of IPOs with frenzied listing are a few indicators that signal indices have topped. But such aggressively optimistic signs are not visible currently and hence there is a lot of room for further upside. Investors should however maintain caution as currently all the positives are already factored in and the road ahead can be rocky for some time.

### Event of the Week

In a surprise move RBI announced a special open market operation by buying bonds worth Rs 100 billion and selling bonds simultaneously. This move is taken specifically to lower longer-term yields as they have consistently been on an up move since the RBI kept repo rate unchanged and slashed its forecast of economic growth rate to a decade low. All the bond market enthusiasts and PSU banks will cheer this move

as the yield curve has steepened sharply despite RBI's constant efforts to lower rates since the start of the year.

### Technical Outlook

Nifty50 is moving upwards albeit with caution as it enters into an unknown territory. Market is trying to gain strength and signalling further upside however there is strong resistance at the current levels. Volumes are also not strong enough therefore there is a high chance that indices may correct before bouncing back. But if the current resistance is broken then traders can go long till levels of 12400 which is the next resistance level. Traders should buy with caution in the coming week.

### Nifty50 Update 20 December 2019

#### Expectations for the Week

The year end is likely to witness extremely stock specific movement with only a few pockets showing strength. A lot of rotation is also expected from highly priced stocks/sectors to value buying in cyclical and commodities. Investors having a one-year horizon can allocate capital to metals, cement, sugar and ceramic sectors. One can look at FMCG too as it is also giving opportunities to accumulate at the current levels. But invest only in quality companies

from the above sectors to secure your portfolio from any micro risks. Nifty50 closed the week at 12271, up by 1.5%.

## Technology and trends

### The Top 8 Tech Trends of 2019

#### 1. Internet of Things (IoT)



As of 2019, there are over 26 billion IoT devices with 127 new devices connected every second. This encompasses everything from smart home technology (such as Amazon's Dash Buttons and smart fridges) to smart cities (where devices are being used for traffic control, security, and surveillance) and smart agriculture (such as soil analysis and greenhouse automation systems).

Two of the biggest applications of IoT in 2019 are healthcare (including smartwatches that track heart health) and manufacturing. Discrete manufacturing is expected to account for 53% or the largest proportion of industrial IoT

spending in 2019. More than 80% of industrial manufacturing companies are using or planning to use IoT devices such as smart machinery, which promises to drive efficiency, improve innovation, and deliver on better quality products.

#### 2. (Semi-) Autonomous Vehicles



If you believe Steve Wozniak's latest predictions, fully autonomous vehicles could still be a very long way off. The Apple co-founder doesn't expect the technology to be ready for the real world within his lifetime, which shatters the dream of being able to kick back and watch a movie during a long car journey any time soon.

However, there is an increasing number of cars that provide certain aspects of self-driving, including lane-centering steering, adaptive cruise control, and hands-free steering. Cars.com has compiled a comprehensive list of 200 cars from 33 mainstream brands offering these features for 2019.



### 3. ELECTRIC VEHICLES



Electric vehicle popularity has grown significantly in recent years, with the market currently dominated by Norway (where EVs accounted for almost 60% of all Norway’s car sales in March 2019) and China (where 1.1 million EVs were sold in 2018). In the U.S., sales rose by 81% between 2017 and 2018, and are expected to continue growing exponentially, particularly as batteries become increasingly affordable (dropping from \$5,000 to \$400 between 1995 and 2016).

As the world pushes for a more sustainable future, businesses are also investing in cleantech for their delivery systems. Amazon recently invested in 100,000 Rivian electric vans and DHL is launching a fleet of 63 electric vans in 2019 as part of its pledge to reduce logistics-related emissions to zero by 2050.

### 4. BLOCKCHAIN



Even the tech experts of the world sometimes struggle to succinctly define what blockchain is and does. Hacker Noon describes it simply as “a data structure that holds transactional records while ensuring security, transparency, and decentralization.”

Creating cryptocurrencies, such as bitcoin, is one of the most common applications of blockchain technology today. As of September 2019, there were 3,571 bitcoin ATMs in the U.S. and the bitcoin market capitalization leaped from \$1.48 billion in 2013 to \$144.96 billion in Q3 of 2019.

Blockchain technology can also be used in insurance claims processing, smart contracts, encoding, and storing of healthcare records, supply chain visibility, and music ownership rights.

## 5. THE CLOUD



Cloud computing has been around for a while but its usage has boomed in recent years. Today, 90% of companies use some type of cloud service and, in 2019 alone, the U.S. is predicted to spend \$124.6 billion. Worldwide expenditure is expected to hit \$210 billion, an increase of 23.8% from 2018.

The way businesses use cloud computing is evolving. Server integration might soon be redundant as data is increasingly stored online. Earlier this year, Ross Winser, senior research director at Gartner, stated that “more than 20% of global organizations will have deployed serverless computing technologies by 2020, which is an increase from less than five percent today.”

Edge computing, sometimes referred to as “the new cloud,” is also growing in popularity. It streamlines cloud computing, reducing latency and bandwidth usage by bringing data storage closer to the source of the data. Spend on mobile edge

computing is estimated to reach \$1.3 billion in 2019.

## 6. DRONE DELIVERY



Drone deliveries have really taken flight in 2019 with a number of companies, including Uber Eats, Amazon and Apple working to develop their drone technology. However, Wing (a Google subsidiary) and UPS became the first companies to gain a Federal Aviation Administration (FAA) certification.

Wing, whose certification permits a pilot to fly multiple drones at once, completed its first drone delivery in October in Christiansburg, Virginia. The company has plans to provide a trial drone delivery service to the town’s 22,000 residents for items including Walgreens medicine, candy, and FedEx shipments.

UPS is the first company to be granted a Part 135 Standard certification, which allows it to fly as many drones as it wants. CVS Health is teaming up with UPS to test a service that delivers

prescription medicines within ten minutes of an order being placed.

One of the most successful drone delivery companies is Zipline, which as of May 2019 was valued at \$1.2 billion. Zipline provides urgent medicines including blood and vaccines in Rwanda and Ghana, covering an area that serves almost 22 million people.

A number of concerns still remain surrounding drone delivery including, security, the impact of weather, range, and noise pollution.

## **7. ARTIFICIAL INTELLIGENCE (AI)**



Amazon defines AI as “the field of computer science dedicated to solving cognitive problems commonly associated with human intelligence, such as learning, problem-solving, and pattern recognition.”

Today AI is a strategic priority for 83% of businesses and is expected to become a \$190 billion industry by 2025.

Twitter is using machine learning, a subset of AI, to identify hate speech and terroristic language in tweets and filter out offensive content.

Amazon’s Alexa uses speech recognition to perform a diverse range of commanded tasks, and HDFC Bank has created an AI chatbot called EVA, which collects knowledge from thousands of sources to provide answers in 0.4 seconds or less.

AI can’t yet think or empathize like a human being, but companies are working on boosting these capabilities by teaching AI systems to recognize and interpret facial expressions, monitor patient behaviour, and respond to consumer reactions to marketing campaigns.

## **8. VIRTUAL REALITY AND AUGMENTED REALITY (VR & AR)**



It’s predicted that 14 million augmented reality (AR) and virtual reality (VR) devices will be sold in 2019.

VR completely immerses users in a three-dimensional computer-generated world, whereas AR adds digital features to a user’s existing

live view (such as Snapchat lenses or Pokémon Go).

Video-gaming represents the largest share of the market with total sales revenue of VR gaming equipment expected to hit \$15 billion by the end of the year. However, the tech does have its applications outside of the gaming world, such as helping prisoners to prepare for the transition back into society, trainee fighter pilots to safely test-drive aircraft, and consumers to experience a vacation before booking.

In the manufacturing world, AR has become increasingly beneficial, informing employees about machinery malfunctions and providing warnings of potentially dangerous circumstances. It can also be used for immersive training in design and assembly and to provide remote expert assistance

## **EDUCATION**

**DECEMBER 27, 2019**



The Board of Regents announced disciplinary actions resulting in the surrender of 6 licenses and 38 other disciplinary actions. The penalty indicated for each case relates solely to the misconduct set forth in that particular case.

## **I.SURRENDERS**

Licensee admitted to the charge of having been convicted of Unlawful Surveillance in the 2nd Degree, a class E felony, and Unauthorized Practice of a Profession, a class E felony.

## **ARCHITECTURE**

Licensee admitted to the charge of failing to review plans he signed and sealed; failing to maintain a written evaluation of the professional services represented by said plans which were not prepared by him or by someone under his direct supervision; and stating on applications filed with the New York City Department of Buildings that there were no changes in use, egress or occupancy when there were.

Licensee did not contest the charge of filing 10 Technical Report Statement of Responsibility (“TR-1”) forms with the New York City Department of Buildings identifying responsibility for special inspections when he was not a registered Special

Inspection Agency or a Director of a Special Inspection Agency.

## **II. OTHER REGENTS DISCIPLINARY ACTIONS**

### **Dentistry**

; Application for consent order granted; Penalty agreed upon: 2 years stayed suspension, 2 years' probation, \$1,000 fine.

### **Engineering, Land Surveying and Geology**

Application for consent order granted; Penalty agreed upon: 1 year stayed suspension, 1 year probation, \$2,500 fine.

## **LOGISTICS NEWS**



### **Board of Regents Appoints Shannon Tahoe as Interim Commissioner**

Additional Leadership Appointments Made

The Board of Regents today appointed Shannon Tahoe as Interim Commissioner, the State Education

Department announced today. The Board also appointed William Murphy as the Deputy Commissioner for Higher Education and Aaron Baldwin as Acting and Deputy Counsel. Mr. Baldwin will serve in the Acting Counsel position until a permanent Commissioner is identified and Ms. Tahoe takes on the role of Counsel and Deputy Commissioner for Legal Affairs. The appointees will assist the Board of Regents and Department in carrying out its mission to raise the knowledge, skill and opportunity of all the people in New York.

**By Chris Cunnane • 12/18/2019**

It's the last few weeks of the year which means it is time to look back at the year in logistics. As always, it was a busy year covering the latest supply chain and logistics trends, emerging technologies, mergers and acquisitions, major news announcements, and more. We want to take this opportunity to reflect on the Top 15 most popular logistics articles written this year and see what our readers found to be the most interesting. It was a nice combination of topics and authors, including a few from our sponsors. So, without further ado, here are the most popular logistics articles from 2019.

## Supply Chain Trends to Watch in 2019 Clint Reiser

Many of the key supply chain trends in 2019 will be continuations from years prior. However, the details, progress, and intensity will differ greatly. ARC Advisory Group believes the following trends will be the most impactful to the supply chain and logistics domain through 2019.

## Digital Transformation of Supply Chain Chris O'Brien (C.H. Robinson)



Much of the conversation these days about supply chain centres around the “digital disruption” of the business. The very definition of “disruption” implies a major disturbance; that it’s all changing too rapidly and upending the accepted way of doing things. But in reality, we have been living within the digital transformation of supply chain for quite some time. Consider this, right now at C.H. Robinson, almost 70 percent of our interactions are completely digital. We are

processing hundreds of millions of digital transactions every year.

## What Truck Driver Shortage? Steve Banker



Since 2005 the American Trucking Associations (ATA) has been releasing reports on the driver shortage. The ATA is the largest national trade association for US truck carriers. Most recently the ATA estimated that the trucking industry ended 2018 with a shortage of more than 60,000 truck drivers.

I saw a good article by Gordon Bonzie with a similar title, but with a cross industry perspective. Mr. Bonzie is a director at AVEVA. I think his article provides a good premise for a more focused article on the topic of artificial intelligence for supply chain management.

## What 5G Means for the Transportation and Logistics Industry Greg Carter (Globularin)

Last week, the Department of Justice gave the green light to the long-sought merger of telecom giants T-

Mobile and Sprint. While the merger of the #3 and #4 American phone carriers, respectively, still has legal hurdles to overcome, it is expected to accelerate the deployment of 5G networks in the U.S. For consumers, 5G networks will deliver faster upload and download speeds, and decreased latency (the time it takes for devices to communicate with each other over the wireless network) with wide applications to everything from entertainment to health care.

### The Warehouse Labour Gap is Unsustainable Clint Reiser

I am in the process of updating ARC Advisory Group’s research studies on the global warehouse management systems (WMS) market and the global warehouse automation & control market. I hear two interrelated and repeated themes as I speak with suppliers in these industries.

## GLOBAL ECONOMY



Global growth this year recorded its weakest pace since the global

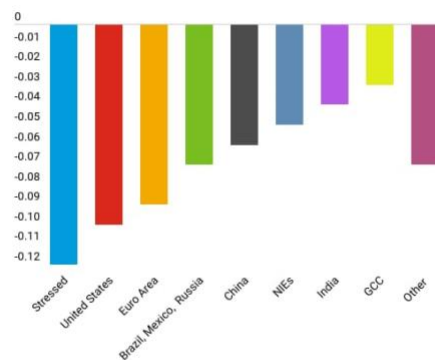
financial crisis a decade ago, reflecting common influences across countries and country-specific factors.

Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. In some cases (advanced economies and China), these developments magnified cyclical and structural slowdowns already under way.

Further pressures came from country-specific weakness in large emerging market economies such as Brazil, India, Mexico, and Russia. Worsening macroeconomic stress related to tighter financial conditions (Argentina), geopolitical tensions (Iran), and social unrest (Venezuela, Libya, Yemen) rounded out the difficult picture.

### Weaker and weaker

The slowdown in global growth in 2019 reflects lower growth in several key countries and regions. (contributions to growth slowdown, percentage points, 2019)



Source: IMF staff estimates.

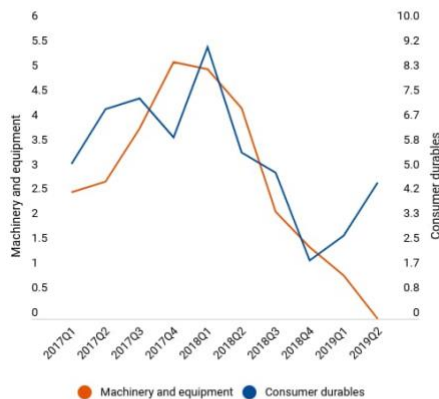
Note: Stressed economies – Argentina, Iran, Libya, Sudan, Turkey, and Venezuela; NIEs = newly industrialized Asian economies; and GCC = Gulf Cooperation Council.

INTERNATIONAL MONETARY FUND

With the economic environment becoming more uncertain, firms turned cautious on long-range spending and global purchases of machinery and equipment decelerated. Household demand for durable goods also weakened, although there was a pick up in the second quarter of 2019. This was particularly evident with automobiles, where regulatory changes, new emission standards, and possibly the shift to ride-shares weighed on sales in several countries

**Tight wallets**

Weaker spending on machinery, equipment, and consumer durable goods has been an important contributor to the global slowdown. (spending on durable goods, percent change from a year ago)



Sources: Haver Analytics, Markit Economics, and IMF staff estimates.  
 Note: Machinery and equipment includes Australia, Brazil, Canada, Chile, China, euro area, India, Indonesia, Japan, Korea, Malaysia, Mexico, Russia, South Africa, Turkey, United Kingdom, and the United States. Consumer durables includes Australia, Brazil, Canada, Chile, China, euro area, Indonesia, Japan, Korea, Malaysia, Mexico, South Africa, Turkey, United Kingdom, and the United States.

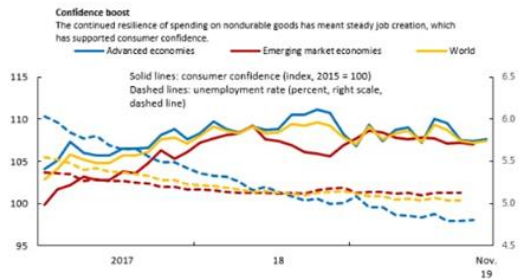


Faced with sluggish demand for durable goods, firms scaled back industrial production. Global trade—which is intensive in durable final goods and the components used to produce them—slowed to a

standstill

**Confidence boost**

The continued resilience of spending on nondurable goods and services has meant steady job creation, which has supported consumer confidence.



Sources: Haver Analytics; and IMF staff calculations.



Central banks reacted aggressively to the weaker activity. Over the course of the year, several—including the US Federal Reserve, the European Central Bank (ECB), and large emerging market central banks—cut interest rates, while the ECB also restarted asset purchases.

**Pandemic news**

In December 2019, an outbreak of an unknown virus causing pneumonia-like symptoms was discovered in the Chinese city of Wuhan. This new coronavirus (technically named SARS-CoV-2; the disease caused by the virus is COVID-19) is thought to have originated at a 'wet market' in the city, where various animals, both live and dead, were sold. This was similar to how the SARS outbreak, also a coronavirus, started in 2002.



Doctors in Wuhan were at first admonished by police for reporting a new virus to their colleagues, before the Chinese government informed the World Health Organization of the mysterious infection on December 31. Among these doctors was Li Wenliang, who helped blow the whistle on the infection, before later dying of it in hospital.

COVID-19 spread around the world rapidly and led to vast and severe

global economic disruption. Many countries moved into strict lockdowns to prevent the spread of the virus, and at one point as many as 99.4% of the student population across the entire planet was affected by school closures on a national or local level. These lockdowns had a severe impact on business; in the span of three weeks in the United States, almost 17 million people applied for unemployment benefits.