

Goldman Sachs fined \$36.6M over use of confidential documents.

Goldman Sachs has been fined \$36.3m (£27m) by the US Federal Reserve for using confidential documents improperly obtained from the central bank.

The Fed said Goldman Sachs had used documents, obtained by a former Fed employee, to brief clients during presentations. Goldman Sachs has already paid New York regulators \$50m over the same incident. The case has highlighted the issue of staff moving between big banks and the agencies that regulate them



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BSE to begin bonds trading on clean price mechanism.

Currently, trading of all the bonds which are part of 'F' or 'G' group is done on Dirty Price, which is represented in terms of the face value of the bond and has the accrued interest component added to it.

In order to align with the debt OTC (Over-The-Counter) market, the exchange proposes to move trading of some of the corporate and government bonds on clean price and yield mechanism, in clean price mechanism, bonds will become part of 'FC' group for corporate bonds and 'GC' group — for government bonds.

The changes will be made live with effect from Monday, August 8, 2016.

DHFL to raise Rs. 4000 crores from bonds linked to inflation.

The mortgage lender is set to raise Rs 4,000 crore through a retail bond sale, which for the first time will also offer interest rates linked to consumer price-based inflation.

Investors can earn interest income in the range of 8.90-9.50 per cent irrespective of any wild swings in CPI (consumer price index) data as the issuer has put both upper and lower caps, mitigating the risk factors. Bonds will mature in three years. DHFL has designed this series of CPI-linked inflation bonds with investor-friendly tweaks, which will hedge investors from inflation

UBER to merge with China's Didi, in a deal valued at \$35 B

The government has been paid off enough to permit Uber to merge with China's largest ride hailing service, dubbed Didi Chuxing.

The combined entity will be valued at \$35 billion, providing Uber will a government blessed stranglehold on app generated livery services in the country. Uber will receive a 20% stake in the combined entity and Didi will make a \$1b investment in Uber at an absurd \$68 billion valuation. Numerous other companies will attain stakes in the joint merger, including Baidu.

MARKET DETAILS

Nifty: - 8,711

Sensex: - 28,183

Gold: - Rs. 31170

Dollar: - Rs. 66.84

Euro: - Rs. 74.06

(Data as per Reuters on 09th August 2016.)



MARIO DRAGHI

MARIO DRAGHI is the president of 'European Central Bank'. He was born in Rome, and holds a PhD in Economics from M.I.T Boston. From 1984 to 1990, he was the Italian Executive Director at the world bank. He was also the Director general of Italian Treasury from 1991 to 2001.

GST IMPACT ON DIFFERENT SECTORS.

BANKS

1. Service tax is currently at 15%, will change to GST rate.
 2. Overall impact on banks should be low.
- Key stocks: Asian Paints, HUL, Coalgate, Dabur, Emami, ITC, United Spirits.

MEDIA

1. Should benefit from a rate below the total tax incidence (currently 22%)
- Key Stocks: Dish TV

TELECOM

1. Moderate rise in tax incident could lead to marginal dip in consumption /Telco revenue.
- Key Stocks: Airtel, Idea, Rcom.

AUTOMOBILE

1. Should benefit from a rate below the total tax incidence (>27%)
- Key Stocks: Maruti, Exide, M&M, Hero.

METALS

For aluminium and steel the current tax is similar to expected GST rate (18-20%)

CONSUMER STAPLES

1. GST rate of less than or equal to 18

% should be positive for most companies depending on which exemptions are retained.

2. Impact on tobacco/ alcohol depends on final treatment of category as 'sin/demerit' goods.

PHARMA

1. GST implementation should bring about supply chain efficiencies over time but if rate is more than 15% it could be negative.
2. Many companies enjoy excise holidays in states such as Himachal Pradesh and Uttarkhand need clarity whether this would be grandfathered.

CEMENT

1. Should benefit as total taxes are 27%, although with lower than expected GST rate producers may pass some benefits to consumers.
- Key stocks: Ultratech, Ambuja cement.