

India's plan to permit space startups to build rocket launchpads as good as any, says industry

In Covid year, banks see record profit of Rs 1 lakh crore

RBI hunts for entity that can develop multimedia publicity material for awareness campaign

Fintech startup slice raises \$20 mn

Today's View

Behavioral Investments

As per **AMFI**, Indian Mutual Funds have more than 38 million SIP accounts through which investors regularly invest in Indian Mutual Fund schemes. Incidentally, around Rs 1 lakh crore were invested in mutual funds through SIPs in FY 2020-21. Looking at the future potential of further rise in MF investments, fund organisations are coming up with innovative funds such as behavioural funds, enabled by technology tools, to offer diversity as well as potentially superior returns.

Behavioral funds seek to combine behavioral and cognitive psychological theory with conventional economics and finance. The field has gained significant attention in academia as pricing anomalies have been discovered. If funds can exploit such anomalies, they can generate better returns without taking on excess risk -- the Holy Grail of investing.

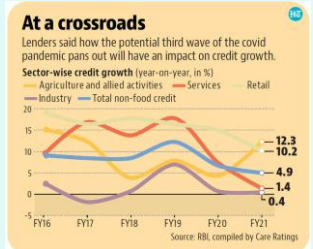
To analyse the track record of such funds, **Journal of Asset Management** has examined the performance of 59 behavioral finance funds for the 21-year period (1990-2010) in both U.S. and global markets. They have observed that behavioral funds generally outperform S&P 500 index funds on a non-risk-adjusted basis.

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Lenders pin hopes on pent-up loan demand

Bankers anticipate stronger credit growth in the coming quarters, hoping that pent-up demand built up over months of pandemic induced lockdowns will drive spending on goods and services.



Source – *Hindustan Times*

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Date – 28 June 21

Mapfre AM is launching one such fund that aims to exploit pricing inefficiencies in European equities caused by the behaviour of market participants. It has developed a proprietary methodology for identifying opportunities caused by investors reacting to new information in exaggerated or irrational ways. The fund managers then apply detailed fundamental analysis to determine whether these equities represent attractive long-term investments.

On the other hand, **Advisor Software** has developed 'Behavioral IQ' which asks clients a series of questions and follow-ups that evaluate bias tendencies and generates a single risk number that's used to make the most appropriate investment recommendations. It provides planners with detailed insight into six different behavioral factors that influence clients' thoughts on risk and decision making. Similarly, **United Capital** has developed a technology platform for advisers that incorporates applications that probe clients' views about money and the deeper reasons behind how they spend and prioritize goals.

We believe that rising interest in behavioral finance is not surprising considering the fact that higher returns are attainable provided the investor can comprehend the systematic mispricing caused by psychological biases, traits and heuristics.

Today's News

India's plan to permit space startups to build rocket launchpads as good as any, says industry

India's plan to allow space startups and private firms to build their own launchpads to launch rockets will give a big push to the industry if implemented anytime soon, experts have said.

"It seems to be a good policy, they've covered a lot of ground, and this is by and large in tune with global policies," said Ajey Lele, senior fellow in Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), leading think tank for defence and strategy research.

The Draft National Space Transportation Policy, 2020, unveiled early this week allows local private space technology companies to build or lease launch pads for the purpose of launching their rockets into space. It also proposes for rocket companies to use their own land or sea-based mobile launchers, besides experimenting with launching satellites and spacecrafts from the air.

Source – *The Economic Times*

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RBI hunts for entity that can develop multimedia publicity material for awareness campaign

Seeking to accelerate its general awareness campaign, the Reserve Bank of India (RBI) has started looking for an entity that can develop multimedia

How technology and fraud-detection models are securing NFC payments

Though many customers are apprehensive of tap-and-pay transactions, use of robust technology and in-built fraud-detection system is ensuring that card frauds are kept under check. However, the bank should be alerted within the stipulated time period to reverse any fraudulent transaction.

When the Reserve Bank of India (RBI) increased the limit on tap-and-pay transactions to INR5,000 from INR2,000 in December 2020, banks and financial institutions in the value chain, such as point of sale (PoS) companies and payment technology firms like Mastercard, Visa, and RuPay, saw it as a measure that will increase the penetration of digital payments.

Source – *The Economic Times*

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This Kolkata-based social commerce startup wants to disrupt live shopping in small towns

To tackle these issues, Rajanya roped in her colleague from IBM, Arijit Mukherjee, to start social commerce startup SaahiHain in July 2020. Run by Abhishari Pvt Ltd, SaahiHain is a web-only, cost-effective, and live-selling platform for local businesses to sell their products and reach social users effectively.

Unlike other similar apps, the platform aims to grow organically by onboarding small and medium business owners.

Source – *Your Story*

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publicity material in 14 languages. The pan-India campaign to educate the general public about the essential rules and regulations will be launched in Hindi, Assamese, Bangla, Gujarati, Kannada, Malayalam, Marathi, Oriya, Punjabi, Sindhi, Tamil, Telugu and Urdu besides English.

The media mix, according to an RBI document, will include traditional as well as new media. Besides newspapers, magazines, radio, television channels and cinema halls, the campaign will also cover digital media, web portals and social media, the RBI said while inviting applications from advertising agencies for designing the creatives for the awareness campaigns.

Source – *The Economic Times*

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Fintech startup slice raises \$20 mn from Gunosy, Blume Ventures and others

Slice, a fintech startup has raised \$20 million from existing investors Gunosy, Blume Ventures among others. In addition to this, slice has also launched two new features, which, the firm said, makes the slice super card the best way for millennials and gen z to make payments.

The members can get up to 2 per cent rewards on every card transaction which are instantly redeemable in cash. Also, members can slice their card bills over 3 months for free, which means they can get an interest-free period of up to 90 days - the longest in the industry.

Rajan Bajaj, founder and CEO, slice, said the banking industry in India has always viewed credit cards as a loan product rather than a high-frequency payment instrument. Therefore, banks' main focus is to optimise the fees related to credit cards and there are portfolio teams to increase the loan book.

Source – *Business Standard*

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In Covid year, banks see record profit of Rs 1 lakh crore

The banking sector has recorded its highest ever profits of Rs 1,02,252 crore in FY21, a year when the economy was battered by the pandemic. This is a significant turnaround compared to a net loss of nearly Rs 5,000 crore for the industry in FY19.

The country's largest lender SBI accounted for another 20% at Rs 20,410 crore. The third-highest was ICICI Bank NSE 0.46 %, which earned Rs 16,192 crore, more than double what it earned in the previous year. Private banks also gained market share as public sector banks (PSBs) went slow in lending.

The biggest turnaround was among PSBs which reported a collective net profit for the first time in five years. Only two of the 12 PSU banks Punjab & Sind Bank and Central Bank of India NSE 5.86 % — reported a net loss for the year.

Source – *The Economic Times*

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This News Letter has been prepared with the assistance of Manish Kulkarni

How CashFlo is using tech to meet the credit needs of more than 50,000 SMEs

Financial services and large-scale transactions have been a part of Ankur Bhageria's life for 25 years. Growing up, he saw hundreds of small and mid-sized businesses turn to the family business for liquidity and funding. One of the key pain points for these businesses was payment delays from customers.

MSMEs typically waited on payments for 30-90 days, based on the standard credit period of their buyer – this was often further delayed due to processing and invoicing procedures.

Source – *Your Story*

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Inspired by Airbnb, this entrepreneur started a platform to enjoy safe house parties

Founded by Shrinivas Shinde in 2017, Mumbai-based Playace verifies user's identity and allows them to host or attend house parties. Since the COVID-19 outbreak, it has been hosting virtual parties.

The platform uses a third-party API to verify users based on their information like phone numbers, social media accounts, government identification, and a picture.

Before listing parties on the website, Playace reviews a video of the venue and suggests a price for entry to the party.

Source – *You story*

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