

**NEWS HIGHLIGHTS**

**Tiger Global to sell Flipkart, Ola stake to SoftBank**

**Telcos suggest user-friendly innovations for rural customers to spur mobile-Aadhaar linking**

**Rs 122 cr more in Paytm Bank, thanks to One97, Vijay Shekhar Sharma**

**Hike joins hands with Airtel Payments Bank**

**Govt's launches Umang app**

**Today's View**

**ETFs ...Now Powered By A.I.**

With the AI industry estimated to be worth over \$16 billion by 2022, various firms are exploring ways to apply AI in their respective fields. Firms like **Morgan Stanley** and **Wells Fargo**, for instance, have recently launched robots that would help research analysts generate stock ideas and recommendations.

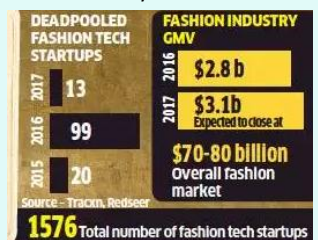
With growing awareness and flow of funds in equities, even Exchange Traded Funds (ETF), a popular alternative for retail investors, are leveraging the power of emerging technologies such as AI. These technologies can process millions of data points briskly; while human effort would consume years, or at best, months. Additionally, such AI powered systems possess the potential to consistently perform with elimination of human emotion or investor bias affecting decisions, ensuring a disciplined approach to investing.

Acknowledging crystal clear benefits of using the technology, several firms are employing AI in ETF product design. Technology transformation firm **IBM** has used its trademark **Watson AI** platform to roll out arguably the first AI powered ETF. It is an actively managed ETF that uses AI and machine learning techniques to beat the market. The fund's underlying AI is constantly analysing market information for around 6,000 U.S.-listed equities, including company management and market sentiment. Every day, it processes over 1 million regulatory filings, quarterly result releases, news pieces, and social media posts to find and optimize exposures within the portfolio.

**INTERESTING NEWS**

**Investors can't find a fit in online fashion retail**

Investments into online fashion retail have dropped to the lowest in 3 years. Funding for fashion-tech startups such as Yepme, Voonik and Wooplr has plunged to \$39.5 mn so far this year from \$350 mn in 2015 and \$126 mn last year.



"Companies like Voonik and Craftsvilla specialize in ethnic wear, but that is something Myntra can easily achieve," believes MD, IDG Ventures.

Source - *The Economic Times*

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Date - 23<sup>th</sup> Nov 17

Even fintechs, which have been known to extensively leverage the AI technology, have designed AI based ETFs. South Korean fintech **Qraft Technologies** has designed **Horizons Active A.I. Global Equity ETF** which is currently trading on the Toronto Stock Exchange. In order to deliver superior market returns, this ETF has been back-tested over 10 years of market moves to “learn” how to interpret data and make smart investment decisions. It monitors over 50 investment metrics including money flow, six-month relative performance, 90-day volatility, beta and 80-day simple moving average.

While these AI powered ETFs have displayed the potential to beat the market consistently, some of its fund managers are still not entirely comfortable investing in an ETF lacking human touch. Considering, unlike human portfolio managers, AI powered ETFs may never be able to explain why it made a particular decision, entirely AI based funds may not be the best choice for most investors. While it is known to reduce human intervention in manual tasks, it will, in turn, underline the importance of “human touch” in crucial decisions.

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## Today's News

### Tiger Global to sell Flipkart, Ola stake worth \$1 bn to SoftBank

Tiger Global will be taking a partial exit from Flipkart and Ola for over \$1 Bn. Tiger Global Partner Lee Fixel stepped down from the Ola board, with news of selling \$500 Mn worth stake in Ola to Softbank. They are expected to sell around 7.5% stake in Ola worth \$300 Mn and 10% shareholding in Flipkart worth \$600-700 Mn to Softbank. This will reduce Tiger Global's shareholding in Ola to 7.5% while in Flipkart to 18%.

Further, by acquiring Tiger Global's stake, Softbank will now own around 20% of Flipkart and one-third of Ola. Also, Fixel is said to make around 3x of his investments in Flipkart, and 5x of his bid in Ola with this deal.

Source – Inc42

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### Telcos suggest user-friendly innovations for rural customers to spur mobile-Aadhaar linking

India's biggest telecom companies have come up with a string of user-friendly innovations to help customers, especially those in the rural areas, link their mobile phone numbers to Aadhaar in an attempt to speed up the re-verification of subscribers mandated by the government.

Airtel is conducting special camps for rural subscribers to complete their Aadhaar-based SIM re-verification. Vodafone has dispatched special vans to Rajasthan's rural to help customers link their SIM and Aadhaar numbers. Idea Cellular has set up temporary canopies in rural locations.

Source – The Economic Times

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This News Letter has been prepared with the assistance of Sadhika A. and Manish Kulkarni

### Flipkart guns for 15% sales from private labels

Eleven months after its foray into private labels starting with SmartBuy last Dec, Flipkart is expecting 15% sales from its private label brands in the next 12 months.

Currently, private labels at Flipkart contribute about 10% sales to the categories they are placed in.

Source – BusinessLine

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### Uber Paid Hackers to Delete Stolen Data on 57 Mn People

Hackers stole the personal data of 57 mn customers and drivers from Uber, a breach the company hid for over a year. The hack was kept under wraps through a \$100,000 payment made to the attackers.

Compromised data included names, email addresses and phone numbers. The personal information of about 7 mn drivers was accessed as well, including some 600,000 U.S. driver's license numbers.

Source – Bloomberg

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### Lyft wins permit to test self-driving cars

Lyft has secured a permit to test autonomous vehicles in California, taking it one step further in the race with several other companies to bring self-driving cars to the masses.

Source – Reuters

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## Rs 122 crore more in Paytm Bank, thanks to One97, Vijay Shekhar Sharma

One97 Communications and its founder Vijay Shekhar Sharma have together invested Rs 122 crore in Paytm Payments Bank, taking total infusion to Rs 400 crore. He invested Rs 62 crore, while the rest was put in by One97 Communications and One97 Communications India. Sharma and One97 Communications had initially invested about Rs 220 crore in the bank.

In September, both pumped in another tranche of Rs 60 crore. Paytm Payments Bank was incorporated in August last year and launched operations on May 23 this year. Between August 2016 and March 2017, the bank saw a turnover of Rs 2 crore, while its losses stood at Rs 30 crore.

Source – *The Economic Times*

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## Hike joins hands with Airtel Payments Bank to power its wallet

Hike Messenger has tied up with Airtel Payments Bank to give users wider access to financial transactions including merchant and utility payments. The app has over 100 million registered users and runs a wallet service on which transactions have grown over 30% on-month.

"Through this partnership, Airtel Payments Bank gets access to over 100 million users on Hike and will begin powering the Hike Wallet product," Hike said. Hike Wallet crossed 5 million transactions a month, the company said on November 16. "As we scale up the number of services on our platform in the coming months, we expect this to grow even faster," Hike Messenger VP (Product) Pathik Shah said.

Source – *The Economic Times*

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## Govt's Umang app finally sees the light of the day

PM Narendra Modi launched the one-stop shop mobile application for all government services UMANG (Unified Mobile Application for New-age Governance). There was a delay in launch due to several beta tests that were being conducted.

"It is an evolving platform designed for citizens of India to offer them access to the pan India e-Gov services from the Central, State, Local Bodies, and Agencies of government on app, web, SMS, and IVR channels," the government said. Senior officials of the ministry said it is a defining app in the Digital India initiative and the main e-governance driver for the government. It would be a window to access almost all sorts of government services, including national scholarships, women's safety, health care applications, e-District and Passport Seva. It would be initially available in 12 languages including English.

Source – *Business Standard*

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## Now, Aadhaar made must for pension plan

The government has made having an Aadhaar number mandatory for obtaining benefits under the Varishtha Pension Bima Yojana pension scheme for senior citizens, implemented through LIC.

Subscribers of the scheme who do not have Aadhaar numbers will have to submit an application to get enrolled by 31 Dec.

Source – *Livemint*

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## Jio & Airtel to use customer bank to challenge Paytm

Jio and Airtel are fighting Paytm. The telcos are leveraging their mobile customer base and distribution network in trying to compete with Paytm.

Jio is already signing up a large number of merchants on its soon-to-be-launched payments bank. It is targeting at least 33 mn merchant establishments.

Source – *Business Standard*

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## Online hotel booking startup MiStay raises seed funding

MiStay, an online hotel reservations startup has raised seed funding from Axilor Ventures and a group of angels. Funds to be used for hiring, marketing, and expanding operations.

Source – *VCCircle*

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