



NEWS HIGHLIGHTS

Big digital push needed to reach \$5-trillion economy: IMAI report

Army plans to induct AI to bolster capability

Sachin Bansal acquires a NBFC firm, becomes CEO

Banks to discontinue cashback on credit card payments at petrol pumps

Today's View

Bond Dynamics

A bond is an instrument that represents a loan made by an investor to a borrower. Bonds are used by sovereign government and companies to finance projects and operations. Bonds have exploded in popularity over the long run, as a long-term trend towards the lower rates has made financing cheaper than ever for government and corporate borrowers alike.

According to estimates, the global bond market has more than tripled in size in the past decade and now exceeds USD 100 trillion. By contrast, S&P Dow Jones Indices put the value of the global stock market at around USD 64 trillion whereas the bond market has exceeded USD 100 trillion in value. In the U.S. alone, bond markets make up almost USD 40 trillion in value, compared to less than USD 20 trillion for the domestic stock market. All major investment banks, hedge funds and the likes have bond traders forming a part of their FICC (fixed income, currencies and commodities) group.

Start-ups formed by experienced traders and risk managers are making their mark in this lucrative market. **Trumid**, founded in 2014, has developed an electronic platform that started out trading high-yield and distressed bonds but has more recently moved into the investment grade space. Bonds face liquidity issues, so Trumid creates swarms, fixed 10-minute periods of trading activity that are supposed to speed price discovery and drive transaction volume. The firm is migrating to Swarm on Demand protocols, which give

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BigBasket merges 2 core arms to speed up delivery

Online grocer BigBasket has merged two core businesses - on-demand 90-minute delivery and planned next-day orders - to supply a larger selection of items to its customers in less than 4 hours.

BigBasket to offer over 85% items in 3-4 hours	May help it better compete with Amazon, Flipkart, Swiggy
Firm to keep long-tail items for next-day delivery	35% Rise in revenue for the year ending March 31, 2018

Source – The Economic Times

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Date – 26th Sept 19

participants on the platform the ability to initiate their own Swarms when they want.

For a deal to go through, the holy trinity of 'investors – sales – traders' has to agree on the deal contours. **Algo** creates a real time internal sales and trading bond information network using the bank's own data to identify the best trade opportunities and enables real-time collaborations between sales, traders and investors. Algo's sophisticated technology is able to connect investors and salespeople without a ripple in the market.

While some of the start-ups have targeted trading done at the sub-USD 1 million tranche level, **Electronifie** is focused upmarket on larger trades that have primarily been done via phone trading. Both institutional investors and market-making dealers can participate in Electronifie's trading venue specifically designed to bring block-sized liquidity to the corporate bond market and limiting information leakage.

Financial engineering by start-ups can bring twin benefits of efficiency and cost reduction in the global bond market. This will translate in overall economic gains all the way to the last mile.

Today's News

Big digital push needed to reach \$5-trillion economy: IMAI report

Data governance, cybersecurity, encryption and surveillance along with technologies like cloud computing, artificial intelligence and Internet of Things are the core areas requiring policy focus for India.

These will help realise the country's \$5 trillion economy target, according to a recent study by industry association Internet and Mobile Association of India (IMAI). Digitisation of services will be an essential step towards achieving the \$5 trillion goal. However, India's regulatory approach should focus on regulating 'core' industry players, and not entities that fall on the 'edge' of the regulatory spectrum.

Source – Business Standard

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Big tech regulation shouldn't sweep up startups, Uber CEO says

New regulations limiting the power of giant tech companies shouldn't apply to smaller startups that could get wiped out by stricter rules, Uber Technologies Inc. Chief Executive Officer Dara Khosrowshahi said.

Tough regulation could stifle innovation and block the next wave of significant technology companies from even existing in the first place, Khosrowshahi said on Wednesday at the Bloomberg Global Business Forum in New York.

Source – The Economic Times

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This News Letter has been prepared with the assistance of Prithwjit Ghosh and Vikas Madaan

Banks to discontinue cashback on credit card payments at petrol pumps

On the advice of oil companies, banks are going to discontinue the cashback feature they offered on their credit cards for fuel purchase. This comes into effect from October 1. "The 0.75 per cent cashback on fuel transactions will be discontinued with effect from October 1," read a message from State Bank of India to its customers.

American Express card holders received similar messages. After the demonetisation exercise of November 2016, the government had asked oil marketing companies such as Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation to give a discount on card payments to promote digital transactions.

Source – Business Standard

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Policybazaar moves tech services to Zphin

Online insurance marketplace Policybazaar has started a new brand under its parent entity named Zphin to offer digital business and technology solutions and services to financial institutions globally.

Leveraging Policybazaar's experience in digital distribution and sales of insurance products, the entity will work on automating processes around sales, services, marketing for products across insurance and lending.

Source – The Economic Times

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Army plans to induct AI to bolster capability

Building India's future capabilities against its adversaries, the army has planned to induct artificial intelligence technologies in the next two years with the first users being the mechanised formations such as tanks and infantry combat vehicles, South-Western Army Commander Lieutenant General Alok Kler said on Wednesday.

These mechanised formations are largely deployed along India's western front with Pakistan and in some sectors of the northern border with China such as Ladakh and North Sikkim. The Jaipur-based South-Western Command itself has formations, especially mechanised, tasked with operations against Pakistan.

Source – *The Economic Times*

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Sachin Bansal acquires a NBFC firm, becomes CEO

Flipkart cofounder Sachin Bansal has picked up a majority stake in Bengaluru-based microfinance company Chaitanya Rural Intermediation Development Services (CRIDS), in what is probably a stepping stone into the broader financial services space for the internet billionaire. Bansal has acquired 94% stake, allowing a majority of the existing investors in Chaitanya to exit through the deal. The nonbanking finance company (NBFC), eyeing fresh funding, was reportedly in talks with Bansal for a deal over the last few months.

"This acquisition is our entry into financial services," Bansal said in a note to the press. The Flipkart cofounder, who will invest Rs 739 crore in the NBFC, did not specify how much of that would be primary infusion of capital.

Source – *The Economic Times*

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Cognizant Technology Solutions unveils AI-powered platform for property insurers

Cognizant Technology Solutions, the United States (US)-based IT company with large operations in India, on Wednesday unveiled a new artificial intelligence (AI)-powered software platform that gives property insurers the ability to process large numbers of claims stemming from natural disasters or other catastrophic events in record time.

Cognizant Property Insights is a software-as-a-service (SaaS) solution that combines satellite and aerial imagery and property data, with machine learning technologies. This helps to quickly assess the damage caused by hurricanes, tornados, floods, wildfires and other disasters in only four to five days, significantly speeding payment of customer claims.

Source – *BusinessLine*

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Amazon is working on facial recognition regulations: Jeff Bezos

Amazon Chief Executive Jeff Bezos said the company's public policy team is working on proposed regulations around facial recognition, a fledgling technology that has drawn criticism of the technology giant's cloud computing unit.

"Our public policy team is actually working on facial recognition regulations, and it makes a lot of sense to regulate that," Bezos told reporters at the company's annual Alexa devices launch in Seattle on Wednesday.

Source – *The Economic Times*

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Etailers target \$4.8b sales this festive season

Online retailers are expected to generate about \$4.8 billion in sales during this year's festive season, putting to rest fears of a general economic slowdown, according to a report by Forrester Research.

About 80% of the sales will occur in the first five days - the period in which Flipkart and Amazon will hold their Big Billion Days and Great Indian Festival events, respectively, it said. The sales estimate for this period is \$3.82 billion, a 36% rise over \$2.9 billion registered during the same period last year. Several factors are contributing to the bullishness in online buying sentiment, including the shift in spending from offline to online, a slow first-half and increased buyers from tier-3 cities.

Source – *The Economic Times*

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