

"You only have to do a very few things right in your life so long as you don't do too many things wrong." ~Warren Buffett



Your Weekly Window to Key Financial Headlines

Nifty 50 Sensex **Dow Jones** Dollar Gold

25,149.85 82,500.47 44,371.51 85.7900

-205.40 -689.81 -279.13 +0.1400

97,830.00 +12.00 *As on 12/07/2025 on Money Control*

Market Lens

Economic Insights

Corporate News

14/07/2025, MONDAY

Global News

Reader Engagements Government Updates

Corporate Chronicles

Yes Bank – SMBC tie-up (July 7, 2025)

• The bank's board paused its CEO search awaiting RBI approval for SMBC's ₹13,482 cr (20%) stake acquisition – India's largest cross-border banking deal. Until cleared, SMBC will influence the CEO appointment process

SEBI share transfer window (July 7, 2025)

 Launched a six-month special window (July 7, 2025–Jan 6, 2026) to regularize rejected physical share transfer deeds before April 2019, accelerating the digitization of securities

Public sector banks

• PSU banks in talks with the Finance Ministry to scrap minimum-balance penalties, responding to declining low cost CASA deposit shares

NMS Global Ltd

 Appointed Shiv Tripathi and Deepak Kumar Mishra as Non-Executive Additional Directors, marking a strategic refresh at the board level.

Hindustan Unilever

• Announced Priya Nair, currently President of Beauty & Wellbeing, as the new CEO & MD effective August 1, emphasizing continuity and a boost in gender diversity at the helm

Rozgar Mela: 51,000 Government Appointments

• PM Modi distributed 51,000 appointment letters via video conferencing to recruits across 47 locations under the 16th Rozgar Mela

Coal Emission Norms Relaxed

• The government eased sulphur emission regulations for 79% of coal-fired power plants outside major urban zones, rolling back a decade-old mandate amid rising compliance costs.

ToI Social Impact Summit

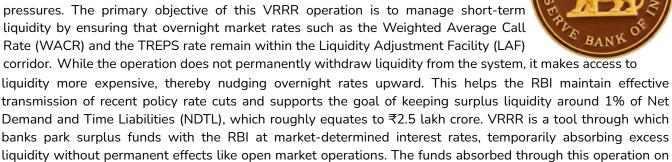
• Held in Mumbai on July 11-12, the summit honored leaders in ESG and CSR, serving as a platform for collaboration on sustainable development

Glenmark Pharmaceuticals

- Glenmark's shares jumped around 10%+ on July 11, hitting record highs; intraday, the stock spiked nearly 20% before settling up ~14% — the top performer in the Nifty Pharma index
- The rally was led primarily by mutual funds, with retail investors playing a supporting role

RBI to Conduct 7-day VRRR for ₹2.5-L cr

The Reserve Bank of India (RBI) will conduct a seven-day Variable Rate Reverse Repo (VRRR) operation worth ₹2.5 lakh crore on Friday, July 12, coinciding with the maturity of two previous VRRR operations totaling nearly ₹2 lakh crore. This move comes at a time when banks are also required to comply with their Cash Reserve Ratio (CRR) obligations at the end of the fortnight, leading to increased liquidity management pressures. The primary objective of this VRRR operation is to manage short-term liquidity by ensuring that overnight market rates such as the Weighted Average Call Rate (WACR) and the TREPS rate remain within the Liquidity Adjustment Facility (LAF)



The Cobra Effect: Unpacking Trump's Tariff Chaos

July 12 will be returned on July 18. Until then, banks may continue to experience tight liquidity conditions as

This week, U.S. President Donald Trump extended the deadline for imposing broad-based tariffs to August 1, targeting a wide range of countries—including small nations like Brunei—regardless of their diplomatic ties with the U.S. Analysts suggest that many of these countries are part of China's Belt and Road Initiative (BRI), indicating that the U.S. may be using tariffs as a strategic tool to weaken China's global influence. However, this aggressive approach may trigger a "cobra effect"—where policies backfire. The tariffs have already begun eroding global confidence in the U.S. dollar, accelerating a shift toward a multipolar currency system led by the Chinese renminbi and euro. This shift increases currency volatility and inflation risks worldwide. For India, the focus remains on maintaining macroeconomic stability. Indian officials are actively negotiating with Washington to avoid being adversely affected, which explains why domestic markets like the Sensex and Nifty have remained relatively steady, with investors turning their attention to quarterly earnings rather than tariff-driven volatility.

Government Updates

Responsibly,

At the NBFC Symposium 2025, Finance Minister Nirmala Sitharaman delivered a strong

message to non-banking finance companies: "Growth cannot come at the cost of

financial exploitation." She urged NBFCs to shift from aggressive loan marketing to fair,

need-based lending, stressing that loans must align with genuine borrower needs and

repayment capacity. Sitharaman called for empathetic recovery practices, transparent

interest rates, and no hidden charges, warning against predatory behavior. Recognizing

NBFCs as "no longer shadow banks," she encouraged deeper collaboration with banks

via digital co-lending and interoperable systems, while setting a bold vision: by 2047,

at least 50% of NBFC credit should flow to high-growth sectors, supported by robust

India Powers Up Rare Earth Magnet Push with ₹1,345 Cr

they adjust their positions post-CRR compliance.

In a strategic move to reduce reliance on China, the Indian government is gearing up to launch a ₹1,345-crore incentive scheme to boost domestic production of rare earth magnets — critical components in EVs, electronics, and green energy systems. From powering electric vehicle motors and power windows to running speakers and wind turbines, these magnets are everywhere — and currently, India depends heavily on imports, especially from China. With China tightening export controls, the upcoming scheme, now under inter-ministerial review. aims to secure India's supply chain and future-proof its fast-growing EV and electronics industries.

Grow

PM E-Drive: Govt Rolls Out Big **Push for E-Trucks**

In a major step toward cleaner roads, Union Minister H.D. Kumaraswamy launched a new subsidy portal under the PM E-Drive scheme, offering up to ₹9.6 lakh per electric truck to replace polluting diesel vehicles. Though diesel trucks make up just 3% of vehicles, they account for a staggering 42% of transport-related emissions. Backed by a ₹500-crore fund, the scheme aims to deploy 5,600 e-trucks across India, with Delhi alone receiving ₹100 crore to support 1,100 trucks. The move is expected to drive a greener freight future while easing urban air pollution. Government Steps Up as Private

Market Lens

NVIDIA Hits \$4 Trillion Market Cap

- NVIDIA becomes the first company in history to surpass a \$4 trillion market capitalization.
- Its valuation quadrupled from \$1 trillion in 2023 to \$4 trillion in 2025.
- Growth driven by massive demand for Alfocused GPUs, especially for data centers, enterprises, and governments.
- The Blackwell series chips set new benchmarks in Al computing power and energy efficiency.
- CEO Jensen Huang is now among the world's richest individuals.
- Recognized for visionary leadership and aggressive expansion.
- This milestone highlights Al's central role in the global economy and NVIDIA's dominance in powering the AI revolution.

Viceroy Research Targets Vedanta's **Debt Structure**

• On July 9, U.S.-based short-seller

Viceroy Research announced a short position on the debt of Vedanta Resources, the London-based holding company of Vedanta Ltd (India). Allegations in 87-page Report:

- Labeled Vedanta Resources' financial setup as "financially unsustainable"
- Compared its structure to a "Ponzi scheme"
- Accused the company of being a "parasite" on its profitable Indian subsidiary

Key Issues Highlighted:

- Excessive dividend payouts Vedanta Ltd to support the parent company's debt
- · Off-balance sheet liabilities and inflated interest expenses
- · Opaque governance and lack of financial transparency

Why It Matters:

- Raises serious corporate governance
- · Highlights risks of cross-border debt structures using domestic subsidiaries Could trigger regulatory review or rating
- agency actions

Vedanta's Response: • As of now, no formal rebuttal from

- · Market and stakeholders await further
- clarification

Exploit **Investment Slows!**

While private investments take a breather, the government is stepping on the gas! Capital spending by Central Public Sector Enterprises (CPSEs) and four major government bodies soared 25% in June to a whopping ₹62,425 crore, giving the economy a much-needed push. From railways and highways to metro projects, these public giants spent a total of ₹1.67 lakh crore in just the April-June quarter, up 15% from last year.

With global uncertainty and tighter financial conditions putting private capex plans on pause — expected to dip to ₹4.9 lakh crore this year from ₹6.6 lakh crore — public capex is proving to be the steady engine powering India's growth story.

READERS ENGAGEMENT

Don't

Jane Street vs SEBI: Market Mastery or Manipulation?

risk management and internal controls.

NBFCs:

What if one trading firm could shake up the entire Indian derivatives market? That's exactly what Jane Street has done — and SEBI isn't taking it lightly.

FM

to

Borrowers

The Scam That Rocked the Market

Jane Street, a global trading giant, has been barred from Indian markets and is under investigation by SEBI for allegedly manipulating expiry-day trades to rake in obscene profits. Reports suggest they earned nearly 340,000 crore since 2023 through such tactics, and SEBI has now ordered ₹5,000 crore in disgorgement of those unlawful gains. But is this just a rogue player exposed? Or is this a symptom of a much deeper flaw in our booming options market?

The Dirty Game Behind Derivatives

On expiry days, Jane Street would buy or dump heavyweights like HDFC & ICICI Bank in bulk — not to invest, but to artificially move the Bank Nifty index. Why? Because they had loaded up on options (Calls or Puts) — and every tick in the index moved those options prices wildly.

This isn't random. On expiry days, option price sensitivity (Gamma) is at its peak. Even small moves in the underlying stocks can explode into big option profits. In a market where Bank Nifty is highly weighted towards just a few stocks, it becomes disturbingly easy for a deep-pocketed firm to swing prices.

The Bigger Issue: India's Derivatives Boom

- In 2023, India's derivative-to-cash market volume ratio was over 400x.
- Globally, that's unmatched. Germany's ratio? Just 36x.
- This means our options market is hyper-liquid, but the cash market is thin. That's exactly what Jane Street took advantage of — manipulating the less liquid cash market to profit in the hyperactive options space.



Why didn't they move the options market directly? Because even they couldn't — it's just too big.

SEBI Hits Back

This isn't SEBI's first warning shot. Since October 2024, it has:

- Limited expiry days to one per exchange • Increased contract sizes to keep out small, uninformed
- traders Raised margin requirements and introduced upfront premium
- collection Monitored intraday positions more strictly

And it's working — retail options activity is down 20% year-on-year. But that's still a drop in the ocean compared to the pandemic-era

What's Next?

SEBI may go further:

Only one expiry per week across all exchanges Revisiting how open interest is calculated

Even stricter risk measures on brokers In the meantime, brokerages like Nuvama, allegedly linked to Jane Street, have taken a beating. Even scrips like Angel One and BSE are facing selling pressure. The Nifty Capital Markets Index is down over 3% this month, more than five times the broader Nifty's fall.

The Takeaway

The Jane Street episode is a wake-up call. It shows just how fragile our markets can be when speculation outpaces regulation. It's not about one bad actor — it's about systemic risk, made worse by an options market that grew too fast, too soon.

While these new restrictions may hurt volumes in the short term, they're a bitter but necessary medicine. With better controls, India's markets can move away from expiry-day drama and towards transparent, true price discovery.