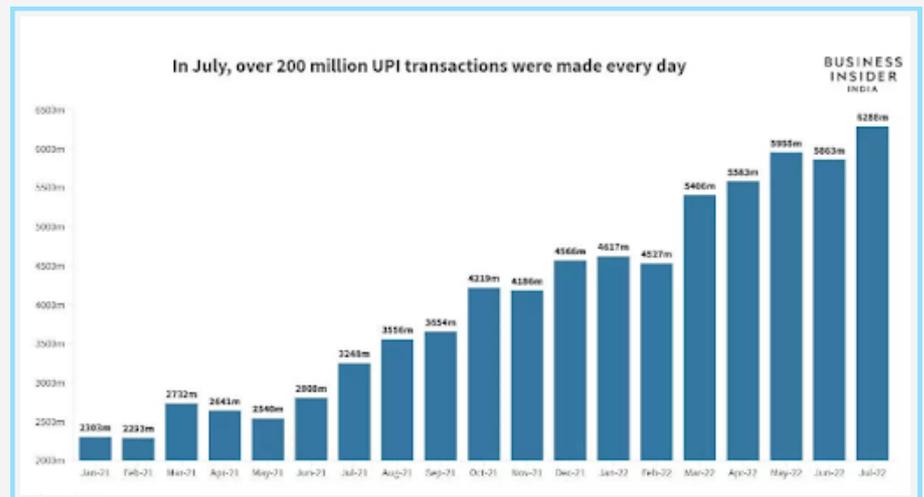


1. Over 200 million UPI transactions were done each day in July 2022

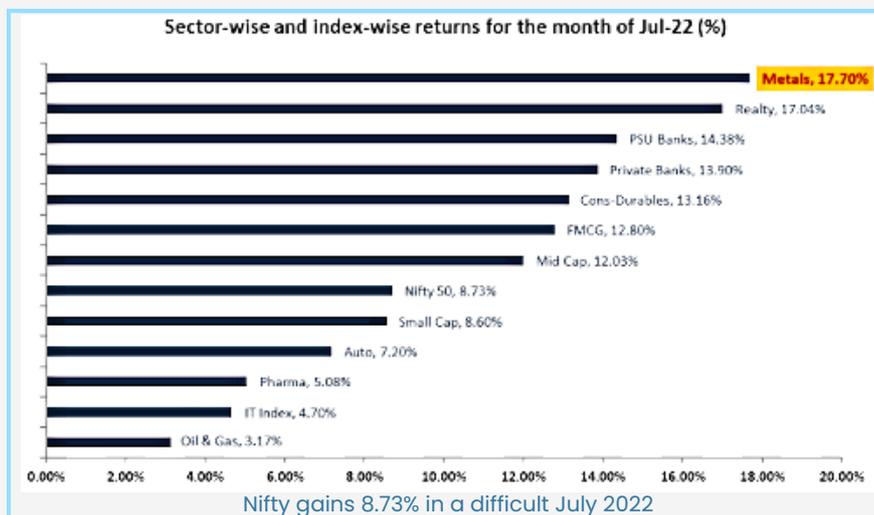
- UPI transactions have crossed the 6 billion mark for the first time since 2016.
 - UPI recorded 6.28 billion transactions in July 2022.
 - The number of transactions has nearly doubled since July 2021.
- This means that over 200 transactions were done each day in July 2022.



There has been a constant month-on-month increase in UPI transactions over the years and the number of transactions has nearly doubled since July 2021. In July 2021, the number of transactions recorded was 3.24 billion, which increased to 6.28 billion in July 2022.

2. Which sectors moved equity market in July 2022?

- All sectors positive but metals, banks, and consumer stocks shine.



Central bank hawkishness continued in the month of July 2022. In the last 4 months between March and July, the Fed hiked rates by 225 basis points of which 150 bps hike happened in June and July alone. The RBI was also not too far behind. It has hiked repo rates by 90 bps since May 2022 and CRR by 50 basis points. The RBI is all set for another rate hike when it meets in early August. Central bank hawkishness has been the big story. The US inflation for June touched a multi-decade

high of 9.6% making aggressive rate hikes almost inevitable. Inflation in India has tapered but WPI inflation continues to be elevated above the 15% mark. The real worry that spooked markets in the last few months is that the enthusiasm of central banks to tighten could result in a recession. This could have a huge impact on industrial and GDP growth. That is already evident in IMF estimates.

The good news for the Indian markets came from FPI flows. After nearly \$30 billion of equities got sold in the first 6 months of 2022, July saw net inflows of \$618 million into equities. Of course, the inflow looks paltry compared to the extent of outflows, but the good news is that the undertone appears to have changed. We await confirmation from August data. However, if the rupee settles beyond 80/\$, there is the risk of imported inflation, with negative implications for markets.

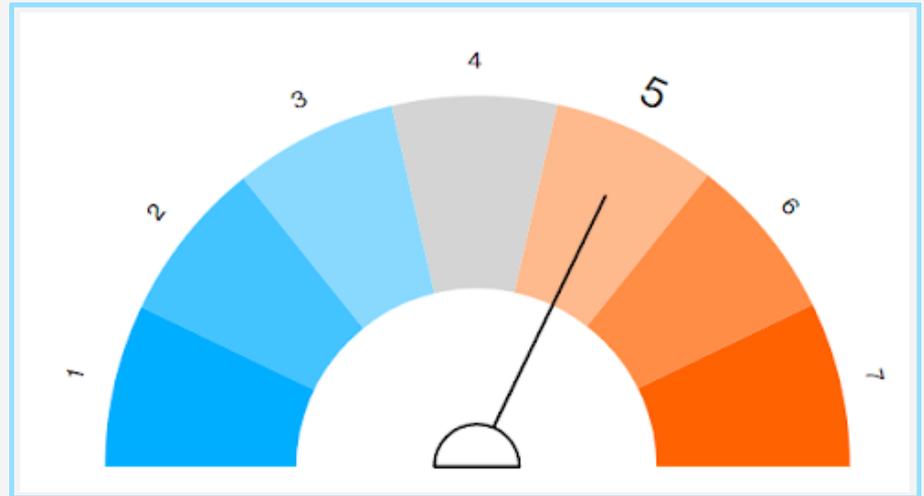
3. India Economic Indicators Gave Mixed Signals on Recovery in July

- Some growth sacrifice seen as the central bank raises rates
- Global slowdown risks hurting demand for goods, services

India's business and consumption activity showed conflicting signs of recovery in July as elevated inflation, rising borrowing costs and fears of a global slowdown weighed on Asia's third-largest economy. Demand for Indian goods and services softened, a cross-section of high-frequency indicators compiled by Bloomberg News showed. The needle on a dial measuring so-called animal spirits, however, remained steady at 5 last month as the gauge uses a three-month weighted average to smooth out volatility in the single month readings.

The Reserve Bank of India, which has raised interest rates by a total of 140 basis points in three moves this year, has signaled future tightening would be calibrated to ensure there isn't a massive slowdown in the economy, and sees price pressures moderating from its recent peak.

A pulse-check of the economy is due next week, with gross domestic product data for the April-June quarter likely to show a double-digit growth, reflecting demand thanks to a wider reopening from the pandemic.



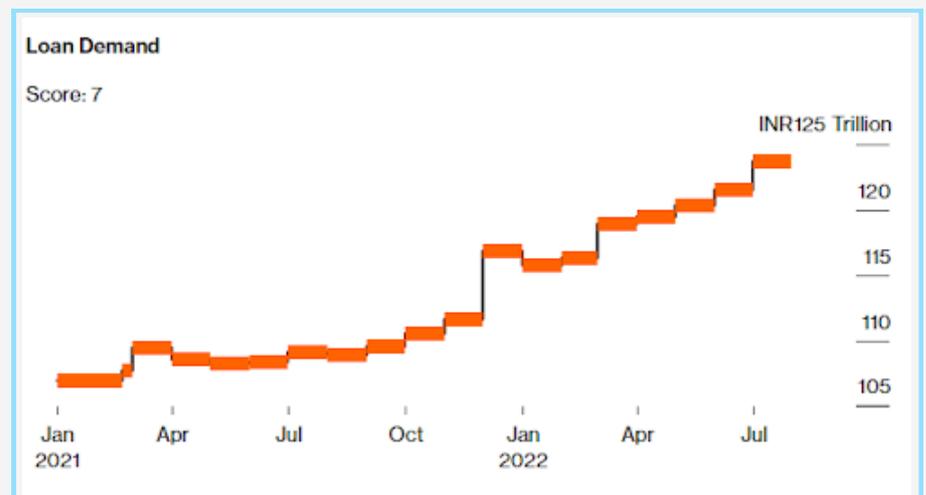
4. Consumer Activity

Passenger vehicle sales rose for a second-straight month helped by a broad-based recovery in all segments, including two-wheelers. While supply issues due to semiconductor shortage are easing, automakers cautioned that costlier loans could crimp demand for new vehicles.

Bank credit continued to grow despite higher interest rates, rising the most in more than three years to 14.5% at the end of July. Liquidity in the banking system continued to remain in surplus.

5. Credit Boost

The growth in bank loans continues to improve.

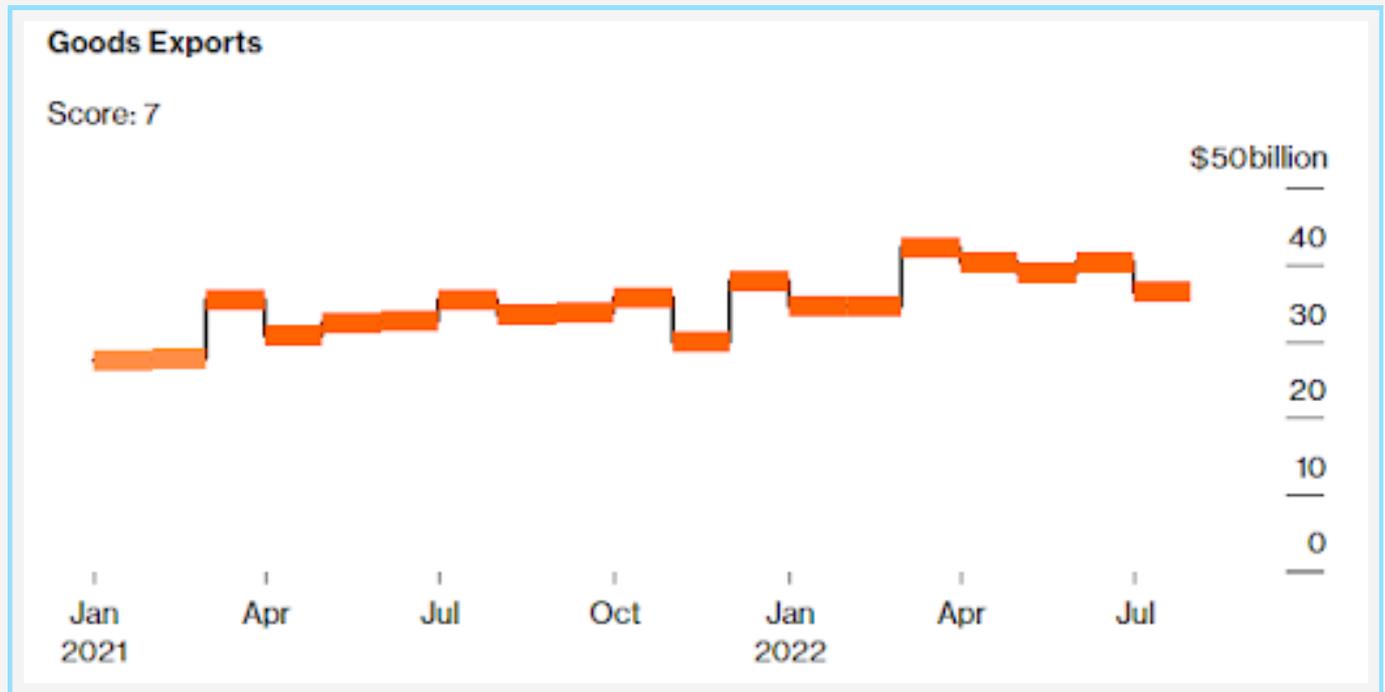


6. Industrial Activity

Among signs of industrial activity, factory output as well as core sector signaled moderation in June as electricity consumption and coal production slowed down with the onset of monsoons. The year-on-year growth in Index of Industrial Production eased to 12.3% from a one-year high in May. The growth of eight key infrastructure industries also dropped to 12.8 from 19.3% in the previous month. Both the data are published with a one-month lag.

7. Trade Troubles

Slowing global growth is impacting India's exports



— Rahul Vaidya, MVS Academy

POEM ON TAX

Tax tax what a faux
Tax tax never to relax
Yet tax is always a must

We have sales tax, service tax,
We have road tax and house tax
Yet we have to pay the income tax

You have to pay tax on expenses
You have to pay tax on the income
Yet again there is always a deficit budget

In a business you are taxed after the expenses
In a job you are taxed before you get your income
Yey the benefits you get are nothing but none.

Sometimes tax is called a duty
Sometimes duty is called levy
Yet if you do not pay in time you pay a huge penalty.

Rich are taxed less, the poor none
It is the middle class which is always prone
Yet the rich get richer and poor poorer, a real shame

— Siya Kapoor, DPS

Crypto Funds Witness \$474 Million Inflows In July 2022; Ethereum, Bitcoin Gain



Despite volatile cryptocurrency markets, international digital asset funds saw net inflows of \$474 million till July 29, 2022.

Despite volatile cryptocurrency markets, global digital asset funds saw net inflows of \$474 million in July (till July 29), the biggest amount so far this year, a report by digital asset manager CoinShares said.

According to the report, with a total inflow of \$481 million, cryptocurrency funds nearly offset all of June's outflows. Nevertheless, despite an optimistic outlook for digital assets, the trade volume remained low last week, at \$1.3 billion, compared to the weekly average of \$2.4 billion for 2022.

However, July was a good month for cryptocurrencies, with Ethereum (ETH) rising by about 50 percent and Bitcoin (BTC) recovering by about 15 percent.

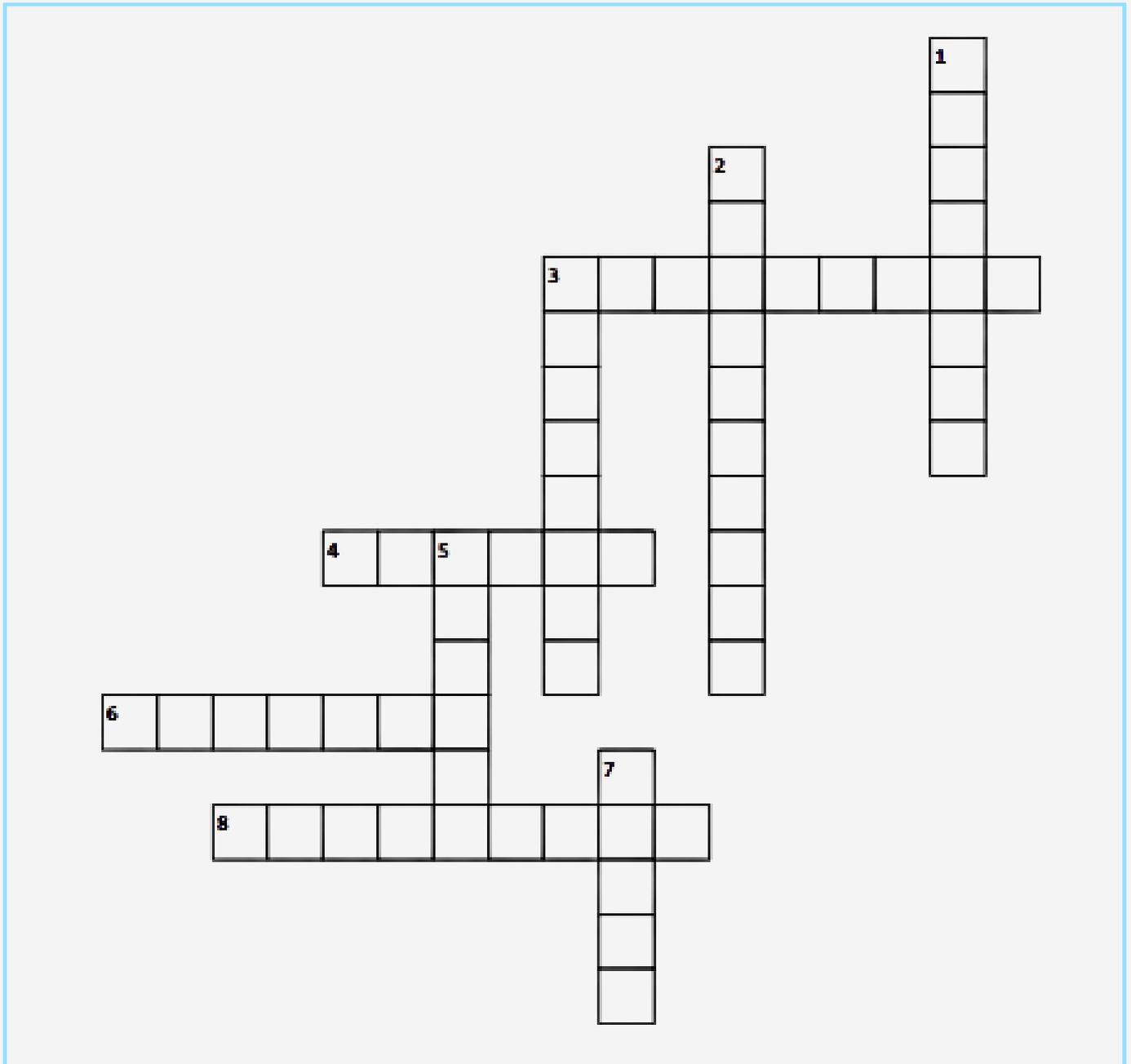
The CoinShares report said that cryptocurrency funds saw an inflow of \$81 million last week, taking the total inflows over the past five weeks to \$0.53 billion, or 1.6 percent of assets under management (AUM).

North America contributed most of the inflows. The US and Canadian contributions were \$15 million and \$67 million, respectively. Minor outflows were seen from Sweden and Brazil.



◆ — Sapna Kedar, SSSV

CROSSWORD



Across

- 3. What do we call people who put money into a business?
- 4. _____ is a plan for saving and spending money based on your income and expense.
- 6. The amount of money in your account.
- 8. A payment card that deducts money from a consumer's checking account to pay for a purchase.

DOWN

- 1. The cost of using credit. What you pay extra for borrowing?
- 2. A card issued by a bank, or business, allowing the holder to purchase goods or services on credit.
- 3. Sales tax is an ideal example of _____ tax.
- 5. _____ tax is the type of tax which is directly paid to the government by a taxpayer.
- 7. _____ income is the amount you earn before taxes are deducted.

◆ ————— ◆ - Ankita Jadhav, St. Paul