

1. Country registers 7227 fresh COVID cases yesterday. Centre will review the situation in 13 regions hit hard by the virus. Focus back on Kerala as State records 84 new cases in a single day. US virus death toll crosses 1 lakh. South America is the next area of focus as cases are increasing.
2. Supreme Court asked the State governments and Railways not to exact bus or train fare from migrants. The expenses should be shared between the states where the migrants are domiciled and where they work.
3. Merchandise exports has dropped by 60% due to COVID but the drop in imports was less significant.
4. RBI bonds will cease for subscription from 28TH May. The 7.75% savings instrument will no longer be available for saving. The move could be seen as an effort to discourage savings and increase spending so as to revive the economy.
5. FDI in India increased by 13% clocking in a total investment of \$ 49.97 billion. Singapore emerged as the largest source of FDI to India. Followed by Mauritius, Netherlands, USA, Caymen Islands, Japan and France.

Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST), Trivandrum (Kerala), has developed a diagnostic test kit that can confirm Covid-19 in 2 hours at low cost.

SCTIMST is an Institute of National Importance under the Department of Science and Technology (DST).

Key Points

The test kit, funded by the DST called Chitra GeneLAMP-N, is highly specific for SARS-CoV-2 N-gene and can detect two regions of the gene.

This would ensure that the test does not fail even if one region of the viral gene undergoes mutation during its current spread.

It is a confirmatory diagnostic test, which detects the N Gene of SARS- COV2 using reverse transcriptase loop-mediated amplification of viral nucleic acid (RT-LAMP).

The results can be read from the machine from the change in fluorescence.

Fluorescence is the emission of light by a substance that has absorbed light or other electromagnetic radiation.

The tests performed at National Institute of Virology (NIV), Alappuzha (Kerala) (authorized by Indian Council of Medical Research (ICMR)) show that Chitra GeneLAMP- N has 100% accuracy and match with test results using Reverse Transcription Polymerase Chain Reaction (RT-PCR).

This has been intimated to Indian Council of Medical Research (ICMR), the authority to approve it, for Covid-19 testing in India, following which License needs to be obtained from Central Drugs Standard Control Organisation (CDSCO) for manufacture.

Advantages

A total of 30 samples can be tested in a single batch in a single machine allowing a large number of samples to be tested each day.

Current Polymerase Chain Reaction (PCR) kits in India enable detection of E gene for screening and RdRp gene for confirmation. Chitra GeneLAMP-N gene testing will allow confirmation in one test without the need for a screening test and at much lower costs (less than Rs. 1000/test).

Chitra GeneLAMP-N makes confirmatory tests results of Covid-19 possible in 2 hours.

The detection time is 10 minutes, and the sample to result time (from RNA extraction in swab to RT-LAMP detection time) will be less than 2 hours.

The testing facility can be easily set up even in the laboratories of district hospitals with limited facilities and trained laboratory technicians.

Gene

Gene, unit of hereditary information.

Genes achieve their effects by directing the synthesis of proteins.

Genes are composed of Deoxyribonucleic acid (DNA), except in some viruses, which have genes consisting of a closely related compound called Ribonucleic acid (RNA).

Reverse Transcription-based Loop Mediated Isothermal Amplification (RT-LAMP)

It is a simple quantitative detection method.

In this method, a DNA copy of the viral RNA is generated by reverse transcriptase, and then isothermal amplification is carried out to increase the amount of total DNA.

A reverse transcriptase (RT) is an enzyme used to generate complementary DNA (cDNA) from an RNA template, a process termed reverse transcription.

Isothermal amplification enables rapid and specific amplification of DNA at constant temperature (60-65 °C).

According to leaked Chinese government documents, there was a clampdown on Uighurs and other Muslims in the country's western Xinjiang region. According to the United Nations experts and activists, at least 1 million Uighurs and members of other largely Muslim minority groups have been detained in camps in Xinjiang in a crackdown. The documents reveal that the Chinese leadership's fears were heightened by terrorist attacks in other countries and the U.S. drawdown of troops from Afghanistan. Uighur is a predominantly Turkic-speaking ethnic group. They are primarily confined in China's northwestern region of Xinjiang and is one of the largest Muslim group in that region.



Bonds and equities are two important instruments issued by corporate to mobilize funds. Governments issue bonds as part of their borrowing programme. Bonds are debt, whereas stocks are equity. By purchasing equity (stock), an investor becomes an owner in the issuing entity. Ownership comes with voting rights and the right to share in any future profits. By purchasing a debt instrument like bond, an investor becomes a creditor to the corporation (or government).

A bond is a financial security issued by a borrower to avail long term funds.

Thus a bond is like a loan: the holder of the bond is the lender (creditor), the issuer of the bond is the borrower (debtor). The primary advantage of being a creditor (by purchasing bonds) is that he has a higher claim on assets than shareholders do. That means, in the case of bankruptcy, a bondholder will get his money back before a shareholder. However, the bondholder does not have a share in the profits of a company.

The problem large organizations and a government have is that they usually need far more money than the average bank can provide. Another demanding aspect is that they need this money for a long term. The solution is to raise money by issuing bonds (or other debt instruments) to a public market.

Thousands of investors then each lend a portion of the capital (money) needed. Really, a bond is nothing more than a loan for which the bond holder is the lender. The organization that sells a bond is known as the issuer. We can think of a bond as an IOU (I Owe You) given by a borrower (the issuer) to a lender (the investor).

For an individual buying bond, interest is the reward. The interest rate is often referred to as the coupon. The date on which the issuer has to repay the amount borrowed (known as face value) is called the maturity date. Bonds are known as fixed income securities because the investor knows the exact amount of cash he will get back if we hold the security until maturity.

Following are some basic concepts to understand bonds.

1. Face Value of Bond: In bond investing, face value, or par value, is commonly referred to the amount paid to a bondholder at the maturity date, given the issuer doesn't default. The face value is also known as the repayment amount.

2. Coupon: A coupon payment on a bond is a periodic interest payment that the bondholder receives during the time between when the bond is issued and when it matures. If a coupon has a face value of Rs1 000 and a coupon rate of 5%, then it pays total coupons of Rs 50 per year.

3. Maturity Date: Maturity date is the date when the principal (face value) is paid back. The final coupon and the face value of a debt security is repaid to the investor on the maturity date. The time to maturity can vary from short term (1 year) to long term (30 years).

Bond Price: If we buy a new bond and plan to keep it to maturity, changing prices, interest rates, and yields typically do not affect us. But investors don't have to buy bonds directly from the issuer and hold them until maturity. Instead, bonds can be bought from and sold to other investors on what's called the secondary market or stock market.

Bond prices on the secondary market (stock market) can be higher or lower than the face value of the bond because the current economic environment (including market interest rate) and market conditions will affect the price investors are actually willing to pay for the bond. And the bond's yield, or the expected return on the bond, may also change.

FDI in India: FDI is allowed under two modes - either through the automatic route, for which companies don't need government approval, or through the government route, for which companies need a go-ahead from the centre.

According to the new FDI policy:

An entity of a country, which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government route.

A transfer of ownership in an FDI deal that benefits any country that shares a border with India will also need government approval.

India shares land borders with Pakistan, Afghanistan, China, Nepal, Bhutan, Bangladesh and Myanmar. Investors from countries not covered by the new policy only have to inform the RBI after a transaction rather than asking for prior permission from the relevant government department.

Impact

The earlier FDI policy was limited to allowing only Bangladesh and Pakistan via the government route in all sectors. The revised rule has now brought companies from China under the government route filter.

China's footprint in the Indian business space has been expanding rapidly, especially since 2014.

Chinese investment in India

The net Chinese investment in India, which was \$1.6 billion in 2014, shot up five-folds to at least \$8 billion (Rs 60,800 crore) in the next three years — with a noticeable shift from state-driven to market-driven investment from the Chinese private sector.

Official figures underestimate the amount of investment: They neither account for all Chinese companies' acquisitions of stakes in the technology sector nor investments from China routed through third-party countries, such as Singapore.

For instance, a \$504-million investment from the Singapore arm of the mobile firm Xiaomi would not figure in official statistics because of how investments are measured.

It has been seen that the Chinese firms have escaped the kind of scrutiny in India that their investments have attracted in the West despite several high-profile investments and acquisitions.

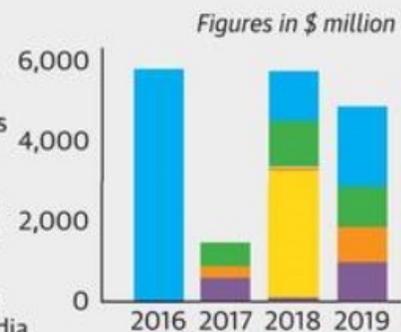
Another concern is that there is no clear separation between the Chinese state and private business. They work closely in pursuing many goals.

China's economic footprint in India

Chinese investment in India increased from \$1.6 billion in 2014 to \$8 billion in 2017 according to a Brookings India report. The investments span a range of sectors with a significant share in the start-up space

INVESTMENT VALUE

The chart depicts the estimated value of China's investments in India since 2016 across various sectors such as infrastructure, consumer goods, energy, real estate and automobiles. The chart includes both actual and planned investments. Data sourced from Brookings India



Foreign Direct Investment

FDI is an investment from a party in one country into a business or corporation in another country with the intention of establishing a lasting interest.

Lasting interest differentiates FDI from foreign portfolio investments, where investors passively hold securities from a foreign country.

Foreign direct investment can be made by expanding one's business into a foreign country or by becoming the owner of a company in another country.

