

FINOLOOK

by **unituscapital**

Debt Newsletter for June 2022 | Unitus Capital, RECENT DEALS CLOSED

ERGOS

Debt
Undisclosed

**CLIX
CAPITAL**

PTC
Undisclosed

**LENDING-
KART**

NCD
₹ 50 Cr

**ANNA-
PURNA**

Equity
~ ₹ 115 Cr

IMGC

Equity
Undisclosed

Inflation & Global Interest Rates*

Central Banks around the world use **interest rates** as a tool to balance **economic growth & inflation**.

The **Covid pandemic** forced Central banks to **drastically reduce interest rates to support the recovery & growth of their economies with inflation taking a back seat**. With pent-up demand and increased buying power, economies witnessed strong growth led by consumption.

However, recent **geopolitical tensions** and **supply chain disruptions** have rattled commodity markets **exacerbating the prices** of key commodities. **Global inflation** is projected to **increase to 6.7%** in 2022, **twice the average of 2.9%** recorded during the last decade. Most of the Central Banks are finding themselves fighting inflation rates above their target range.

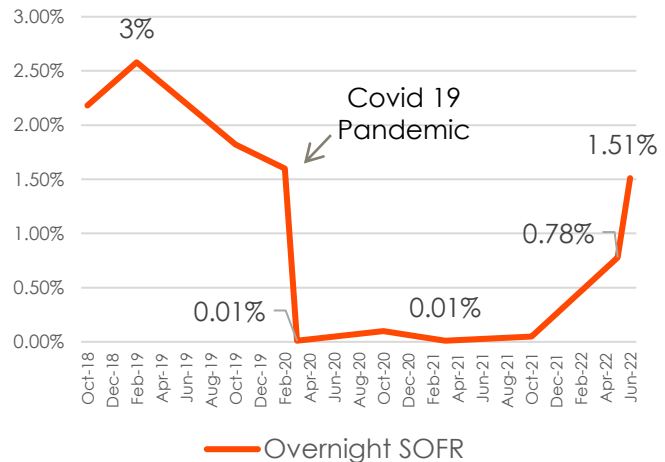
In the last couple of months, Central banks of major economies have taken aggressive steps to curb the rising inflationary pressure. The **US Fed** has **increased rates by 125 bps in the last 2 months** – the largest upward hike since 1994. The **European Central Bank (ECB)** mentioned it will **raise interest rates** in July by **25 bps** – **1st hike in 11 years**. The **Bank of England** **hiked** its key rate by **25 bps for the 5th time** pushing the rate to 125 bps – **the highest level since 2009**.

On the domestic front, the RBI has rolled out a total **hike of 90 bps in the last 2 months**.

Central banks are in a tricky situation to balance rising inflation and slowing economic growth.

For now, they seem to have made a choice with most of them **indicating further rate hikes in a phased manner to control spiraling inflation**.

SOFR trend over the years



Key Rates

1.58%

US FED Rate

0.278%

6-month EURIBOR

2.59%

6-month SOFR

4.90%

Repo Rate

All rates as of 29th June 2022*

Corporate Debt Issuance**

Issuer	Secured	Size (₹ Cr)	Coupon	Tenor (years)	Rating
Satya Microcapital Limited	Yes	46.70	11.42%	3.50	BBB
MAS Financial services Limited	Yes	50.00	1 Year SBI MCLR linked	2.00	PP MLD A+
Origo Commodities India P. Limited	Yes	25.00	14.25%	3.00	-
Pahal Financial Services P. Limited	Yes	60.00	11.86%	3.00	BBB

Meet the Team



Eric Savage
Co-Founder & CEO

25+ years of investment banking experience with strong relationships with domestic and foreign investors; serves on the boards of multiple companies, and other institutions.



Amit Kumar Rathi
Managing Director

20+ years of post-qualification experience which includes 15+ years in the broad PE / VC investing and M&A as either an Investment Banker, Diligence Advisor, and Investor.



Simmi Sareen
Director

23+ years in financial services with extensive experience in supporting access to capital for sustainable startups & social enterprises. Recognized as a thought leader for impact investing and climate finance in India.



Rima Agarwalla
Vice President

11+ years experience with Bank of Baroda in corporate credit, transaction Banking, in India and Middle East. Specialized in structuring deals.



Vivek Pathak
Associate

At Unitus Capital Vivek covers financial services, Waste to Energy & EVs. A CA by profession, Vivek has prior experience with a boutique IB.



Anshul Agarwal
Associate

6+ years of experience in financial services. At Unitus Capital Anshul covers Financial inclusion, climate action and agriculture.



Jagrati Goyal
Analyst

Jagrati covers financial inclusion, healthcare, and agriculture at Unitus Capital. She was previously with State Street in alternative investments.



Ishita Jain
Junior Analyst

Ishita covers financial inclusion and agriculture at Unitus Capital. She has 2+ years of experience with a boutique IB in Mumbai, while pursuing CA.

For any queries, please contact:

Vivek Pathak (vpathak@unituscapital.com) | Jagrati Goyal (jgoyal@unituscapital.com) | Ishita Jain (ijain@unituscapital.com)