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Ananya and Aryaman Birla inducted on Hindalco board



Starbucks taps Niccol as CEO in a surprise move, replacing Narasimhan



NEW DELHI, WEDNESDAY, AUGUST 14, 2024

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SENSEX: 78,956.03 ▼ 692.89 NIFTY: 24,139 ▼ 208 NIKKEI 225: 36,232.51 ▲ 1,207.51 HANG SENG: 17,174.06 ▲ 62.41 ₹/\$: 83.97 ↔ 0.00 ₹/€: 91.69 ▲ 0.07 BRENT: \$81.30 ▼ \$1.00 GOLD: ₹70,158 ▲ ₹481

IPOs head for an ^{Aug 14} august month

Issues worth ₹22,000 cr set to hit primary market

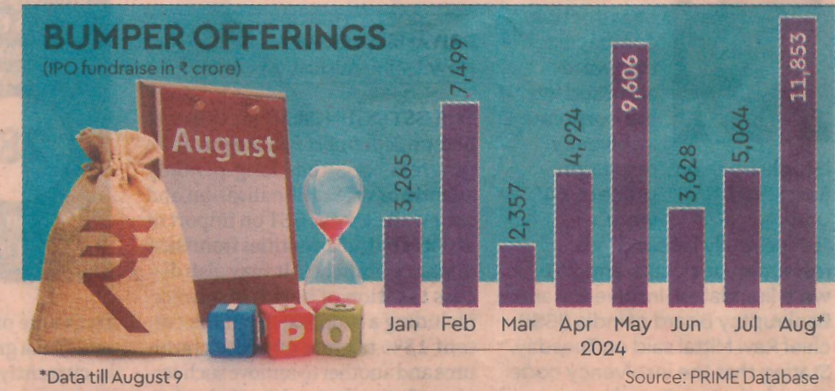
VIVEK KUMAR M
Mumbai, August 13

THE VOLATILITY IN the global equities has not taken the sheen off the primary market as four initial public offerings (IPOs) worth over ₹11,850 crore have sailed through in the first week of August. And this trend is likely to continue as 25 firms, with approvals from the Securities and Exchange Board of India (Sebi), are set to hit the market to raise around ₹22,000 crore, according to data from PRIME Database.

Some of the big names that have secured the market regulator's approval include Bajaj Housing Finance, Asirvad Micro Finance, Premier Energies, Arkade Developers and Northern Arc Capital.

"With the secondary market looking quite expensive, mutual funds are expected to participate actively in these IPOs. So, the trend is unlikely to change," said an investment banker from a leading domestic firm.

The primary market in August has been aided by the year's largest IPO of Ola Elec-



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FirstCry shares list at 46% premium over IPO price **PAGE 7**

Unicommerce eSolutions lists at a huge 96% premium **PAGE 7**

tronic Mobility with the issue size of ₹6,146 crore. This, investment bankers believe, shows that there is confidence in the market. The Ola Electric IPO comes at a time when equity markets across the world came

under bouts of intense selling pressure last week due to concerns over potential recession in the US, unwinding of yen carry trades and geopolitical tension in West Asia.

Even domestic equities felt the pressure as the benchmarks - Sensex and Nifty 50 - fell around 1.5% each last week to register their second consecutive week of losses.

Despite this, Ola Electric IPO saw a subscription of 4.45x and the stock has surged 42.2% in three days since its listing.

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IPOs head for an august month

Brainbees Solutions and Unicommerce Esolutions too saw robust gains on their debut on the bourses on Tuesday, shrugging off the selling pressure in the broader market.

Nithin Kamath, CEO of Zerodha, congratulated Ola Electric, Unicommerce and Brainbees Solutions on strong listing. "If our markets have to grow, we need more home-grown companies to list and also leave something on the table for IPO investors," he said.

Overall, the primary market issuances so far in August have surpassed the combined issuances seen during the previous two months. Moreover, in just over a week, this month has seen the highest primary market fundraises so far in 2024, if one were to exclude the follow-on public offer of Vodafone Idea in April.

"Given the buoyancy in the secondary market, issues in the pri-

mary market should continue. Some larger issues may hold back till foreign investors return meaningfully," said Pranav Haldea, MD of PRIME Database Group.

Apart from this, Saraswati Saree Depot's ₹153-crore IPO has opened for subscription on Monday.

Haldea said that while smaller issues may not face any hurdle going ahead, some of the larger issues may be held back as they may need both domestic and foreign investors.

However, he acknowledged that the investor response to the Ola Electric IPO will likely instill confidence among issuers.

The investment banker quoted above said that roadshows for the upcoming IPOs are going as expected and the DRHPs for a couple of large issues are being prepared for filing with the Sebi.