



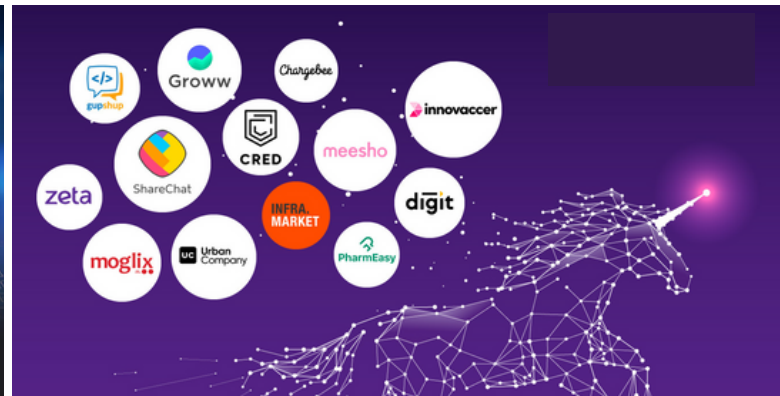
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FINNACLE



THE UNICORN CLUB

A look at the top 10 Indian Startups in 2021 | p.7

HOW THE NEXT BATTERIES WILL CHANGE THE WORLD?

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THE PARADOXICAL “SELF DEFENCE”

READ TIME: 3 MINS



How a Jerusalem neighbourhood ignited the Israeli - Palestinian conflict

May 10th 2021: The Israeli army stormed Al-Aqsa Mosque, announcing their takeover of the West Bank and The Gaza Strip, killing more than 130 Palestinians, and leaving more than 300 injured, The century-long conflicts started in the wake of the British era when, Israel established itself as an independent state, amidst the Palestinians claiming the majority territory, which led to a 6-day war of communal violence, and the Israel-Arab tensions. Israel views Jerusalem as its “unified, eternal” capital. It had captured east Jerusalem, which includes the Old City, in the 1967 Mideast war. The fate of east Jerusalem has been one of the thorniest issues in the peace process, which ground to a halt more than a decade ago.





Ramadan protests, Jerusalem evictions

The recent nightly clashes began at the start of Ramadan when Israeli police placed barriers outside the Old City's Damascus Gate. They later removed the barriers but the protests then escalated over the threatened eviction of dozens of Palestinian families from the East Jerusalem neighbourhood of Sheikh Jarrah. The families have been embroiled in a long legal battle with ideological Jewish settlers who seek to acquire property in crowded Palestinian neighbourhoods just outside the Old City. Protests have been held in the occupied West Bank and Arab communities inside Israel.

A series of deadly shootings in the West Bank last week has also heightened tensions. Gaza's Islamist rulers Hamas, an Islamic fundamentalist but rather considered a pragmatic and militant organisation repeatedly warned Israel that the fighting in Jerusalem was a 'red line'. As Israel commemorated its capture of East Jerusalem in a 1967 war with a march on Monday, Hamas and the Islamic Jihad militant group fired rocket barrages towards Jerusalem and its surrounding suburbs. Within hours, Israeli warplanes began bombing militant targets in Gaza. The fighting has since escalated dramatically with militants firing hundreds of rockets towards Tel Aviv and Israel carrying out hundreds of airstrikes in Gaza.



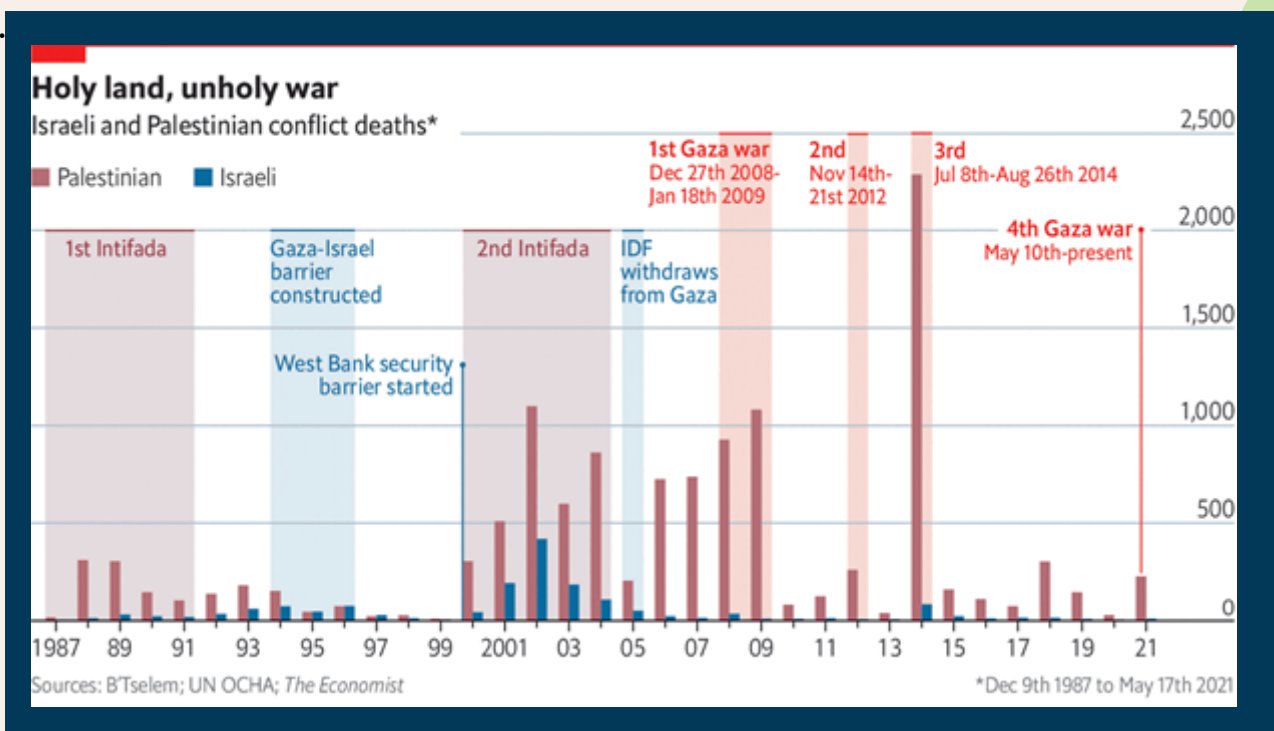
Israel's Iron Dome

More than 3,000 rockets have been fired towards Israel by Hamas and other Palestinian militant groups in the past week. But about 90% of the rockets have been intercepted by its flagship Iron Dome missile defence system, according to the Israeli military. The Iron Dome was specially designed to protect against a range of incoming short-range threats. Considered among the most advanced defence systems in the world, the Iron Dome uses radar to identify and destroy incoming threats before they can cause damage.

Hamas interests, Israeli politics

Hamas also appeared to see the escalation as an opportunity to marginalise Palestinian President Mahmoud Abbas and present itself as the guardian of Palestinians in Jerusalem, by amassing over 7,000 rockets, as well as 300 anti-tank and 100 anti-aircraft missiles, since the 2014 war.

Some Israeli commentators said Hamas could also see the timing as opportune with Israel in political flux as Prime Minister Benjamin Netanyahu's opponents try to form a government that would unseat him after an inconclusive March 23 election.



International reactions and possible de-escalation policies

Israel's airstrikes on the militant Hamas movement in Gaza have forced the Middle East onto Joe Biden's agenda amid new questions about how his emphasis on human rights applies to Palestinians and accusing the United Nations Security Council of their 'powerful' silence on the matter.

The G-20 has portrayed mixed responses. While US President Biden has condemned the crossfires, he has been continuously alleged for backing Israel. Even after years of promises, Cairo couldn't influence or maintain peace, The UN and the European

Union haven't been able to decimate the oppressional conflicts. Today only the U.S., Israel's primary backer, has the authority to make a real difference in Israel's calculations. So far, the Biden administration seems content to follow Israel's lead. Israel will want to be able to claim to its public that it has exacted the right price for Hamas' rocket barrage – that it has, in the words of its security establishment, "restored deterrence".

The longer the fighting in Israel-Palestine goes on, the greater the risk of spillover into U.S. domestic politics and disruption of Biden's agenda. Already, the crisis has started to bleed into Congressional debates.



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Sources - BBC News, The Hindu, CFR.

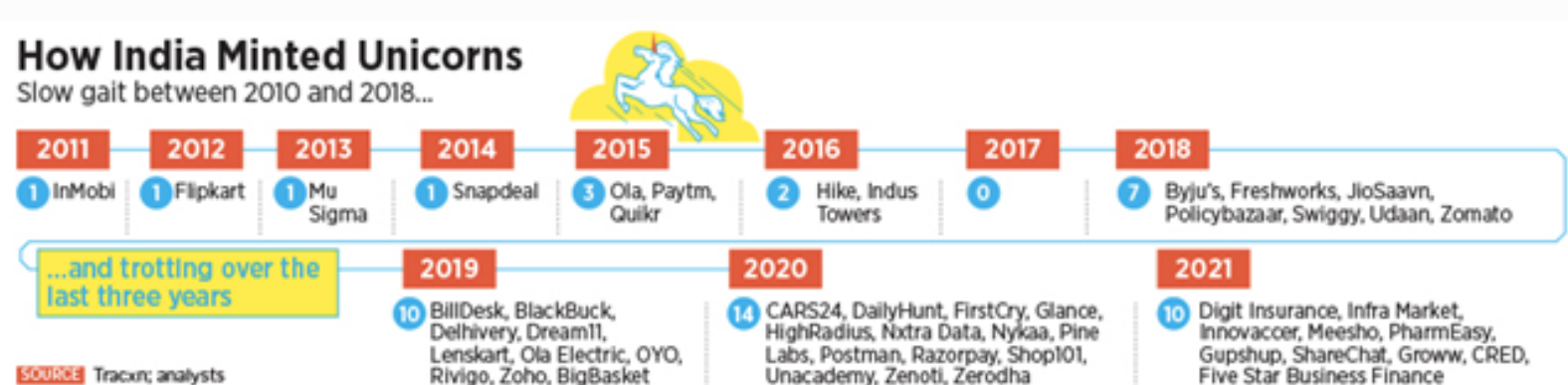
THE UNICORN CLUB: A LOOK AT THE TOP 10 INDIAN STARTUPS IN 2021

READ TIME: 4 MINS

4 Days, 6 startups, a Tech boom unlike any other. The week of April 5 saw an astonishing amount of 6 startups entering the Unicorn club. Healthtech, infratech, e-pharmacy and wealth management are some of the sectors these new unicorns belong to. They collectively raised a magnificent amount of \$1.55 billion!

To give a clearer perspective, India currently has a total of 52 unicorns, 16 of which entered the club between the years 2011 and 2018, 14 entered in 2020 and 10 have already entered in the first 4 months of 2021!

Let us have a closer look at all the 10 startups that have entered the unicorn club in 2021 till the month of May.



PHARMEASY

It aims to make healthcare affordable and accessible (which has definitely proved lucrative amidst a pandemic) The unicorn is valued at \$1.5 billion. It aims to reach the goal of 100k pharmacies in the next year.



CRE D

It focuses on premium credit card users and says to have added 5.9 million of them in the last 2 years. The company is valued at a staggering \$2.2 billion. Currently, the company is closing deals with various e-commerce partners like Razorpay, Bigbasket, Dineout., etc.



SHARECHAT

It is a regional social media startup that initially focused on tier 2 and 3 cities of India. After the government banned Chinese apps last year, it launched Moj which has 80 million monthly active users. The company is valued at \$2.1 billion. It believes that the short video market is tremendous and hence the company definitely has strong growth potential.



ShareChat

GROWW

After Zerodha, Groww is India's second wealth management startup. It has made investing in stocks, mutual funds, ETFs easier than ever before by the medium of its website and application. The company says that 60% of its users come from smaller Indian cities. The pandemic saw a huge rise in the number of first-time investors and Groww definitely earned its share as a consequence.



Groww

GUPSHUP

Gupshup is a conversational messaging platform that caters to businesses from multiple sectors including banking, e-commerce, hospitality, consumer goods among others. The company is valued at \$1.4 billion and is headquartered in San Francisco, California. The company receives 80% of its business from India.



DIGIT INSURANCE

Digit allows its users to buy health, car, bike, burglary, fire and various other kinds of insurance. The company has 6.9 million customers and has processed over 2 lakh claims. It is backed by A91 Partners and Fairfax Holdings.



INNOVACCER

The first health tech startup of India, Innovaccer, analyses and maintains healthcare data and later provides valuable insights. The startup is valued at \$1.3 billion. The startup aims to take its current number of patient records to 100 Mn+ and reach out to 500,000 caregivers over the next five years.



INFRA MARKET

A startup that has remained profitable since its very inception, Infra Market is a B2B online marketplace for real estate and construction material. The company has managed to raise a whopping amount of \$161.5 million from 7 rounds of funding. The company supplies to big projects like Bombay and Kochi Metro and aims to only grow in the coming months with infrastructure being an indispensable part of India's economy.



MEESHO

Meesho is a social commerce platform. The concept is definitely very new but not incomprehensible. It is eCommerce on social media or rather through social media. The business model is based on the concept of word of mouth. Women recommend their friends to purchase items on social media, etc., only with Meesho, when such recommendation is made, the recommender gets compensated. The company has raised an incredible amount of \$415 million to date.



FIVE STAR

Five-Star is a Registered Non-Banking Finance Company (NBFC) with Reserve Bank of India (RBI). The company raised \$234 million in primary and secondary capital and is valued at \$1.4 billion. It was established in 1984 and has remained profitable for a long period of time.



THE FUTURE LOOKS BRIGHT:

Earlier reports suggested that India will have 100 unicorns by the year 2025 but certain venture capitalists believe the goal will be achieved in mere 2 years from now. 40 of the current 52 startups are tech-based and hence they haven't suffered the wrath of the pandemic which on the contrary has been a boon to them. The future years look very bright and it is definitely possible that the goal of 100 unicorns will be achieved somewhere in 2022!

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Sources:

Times of India, Business standard and Economic times



How the next Batteries will change the world?

READ TIME: 4 MINS



INTRODUCTION:

The world needs more power, preferably in a form that's clean and renewable. Our energy-storage strategies are currently shaped by lithium-ion batteries – at the cutting edge of such technology – but what can we look forward to in years to come?

Rechargeable lithium-ion batteries were first commercially used in hand-held camcorders in 1991. Laptops soon followed. A decade later, batteries enabled the rise of tech titans such as Apple Inc. by powering smartphones and wearable devices, and then made their way into electric vehicles. The basic technology throughout remained pretty much the same: lithium ions move through a liquid from the cathode to the anode, and back again.

This, however, was just the beginning. After a decade of rapidly falling costs, the battery has reached a tipping point. No longer just for consumer products, it is poised to transform the way the world uses power.



HISTORY & BACKGROUND:

In the late 1970s, a team of global scientists began developing what would become the lithium-ion battery, a type of rechargeable battery that would eventually power everything from portable electronics to electric vehicles and mobile phones. The Nobel Prize in Chemistry 2019 was awarded to three scientists, John B. Goodenough, M. Stanley Whittingham, and Akira Yoshino, for their work in developing this battery. According to the official Nobel Prize organization, “this lightweight, rechargeable and powerful battery is now used in everything from mobile phones to laptops and electric vehicles. It can also store significant amounts of energy from solar and wind power, making possible a fossil fuel-free society.”



THE END OF PETROL?

With rising temperatures and global warming apprehensions increasing each day, a shift towards a fossil fuel-free society is inevitable. We move towards a world where electric cars are set to become standard and lithium-ion batteries an integral part of an alternative future. Tesla founder Elon Musk is working with lithium-ion batteries at a large scale and the electric vehicles of Tesla have already started gaining traction in world markets. This has forced international companies to adopt newer battery technologies batteries and create electric vehicles to keep up with changing trends; hence creating a possible diminishing demand for petrol in the future.



EMERGING BATTERY TECHNOLOGIES AND THE ROAD AHEAD:

Battery technology may be the keystone of the energy transition, facilitating the decarbonisation of the transportation sector. Among the alternatives to lithium-ion batteries are solid-state lithium-metal batteries, graphene aluminium-ion battery cells, lithium-sulfur batteries and more. Energy storage technologies will also play a huge part in how energy is supplied to communities in the future. The pressing need to address climate change and promote carbon management, coupled with technological developments has caused global battery demand to soar and opened a window of tremendous opportunity. It's important to identify steps to access this potential – and ensure the demand is matched by immediate and far-reaching collaborative action.



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Sources:

Forbes, Business standard and Economic times

ZOMATO IS DRESSING UP FOR ITS BIG IPO

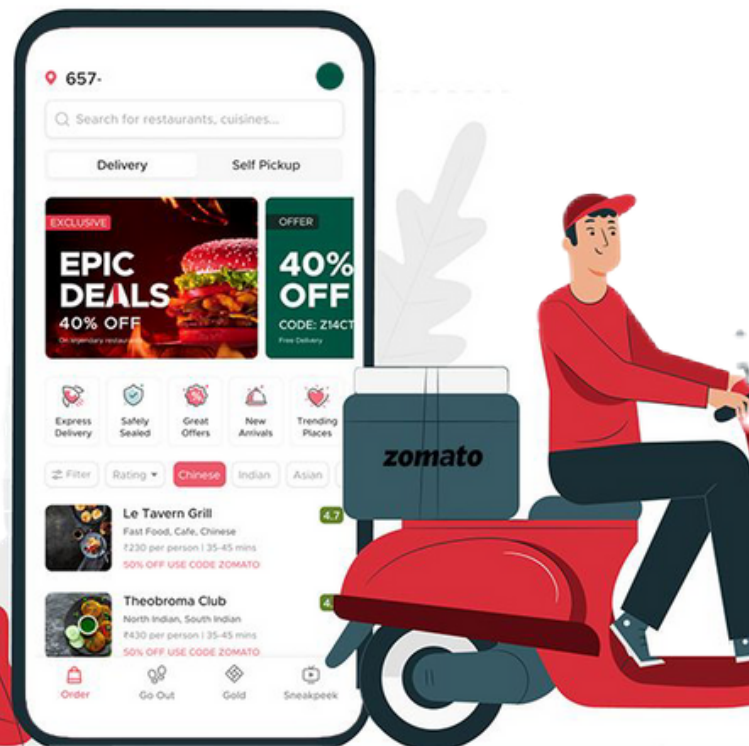
HERE'S ALL YOU NEED TO KNOW

READ TIME: 4 MINS



Zomato began life as FoodieBay, which was an online restaurant directory. With over \$1.28 billion raised from multiple investors, it has now entered segments such as live events, restaurant reservation and loyalty programmes.

Zomato operates food delivery services across 23 markets, but most of its revenue comes from India. In the IPO filing, Zomato writes: "We have taken a conscious strategic call to focus only on the Indian market going forward ... we believe a focused Zomato will enhance the value for all our stakeholders."



BUSINESS MODEL

● **Restaurant Listings / Advertising**

Zomato was just a listing platform and a restaurant directory which brought in advertising revenues from restaurants that joined the platform. Extending this further after the launch of food delivery and restaurant reservations, Zomato now charges commissions from restaurants to be placed prominently on the feed.



● **Food Delivery**

While users pay a delivery fee, Zomato earns through restaurants that pay a commission for each delivery, which is split among the delivery partner and the company.

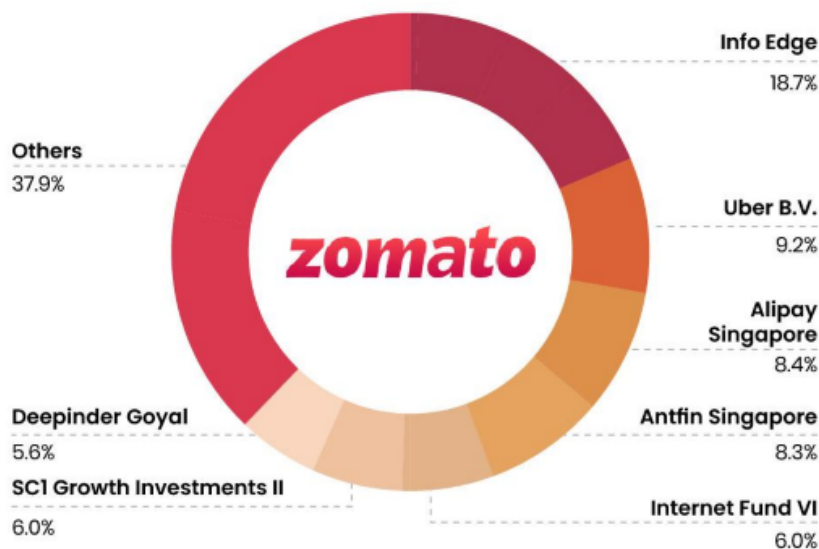
● **Subscription Programmes**

While users pay a subscription fee to access the Zomato Gold loyalty programme which brings exclusive offers, restaurants also pay a monthly fee to be part of Zomato’s bouquet of offers such as live tracking, Zomato-branded tamper-proof packaging and more.

● **White Label Access**

Zomato also enables services such as the Zomato White label under which they give offers to the restaurants to develop a customized food delivery app.

Decoding IPO-Bound Zomato’s Shareholding



FUTURE POTENTIAL

Zomato is all set for 10x growth in 5 years. Their future would not just be solely focused on food alone. The addressable market for Zomato is only going to widen. According to FHRAI's estimates, India currently has 70 lakh restaurants, and the bigger market opportunity comes from the 2.3 cr restaurants in the unorganized segment.

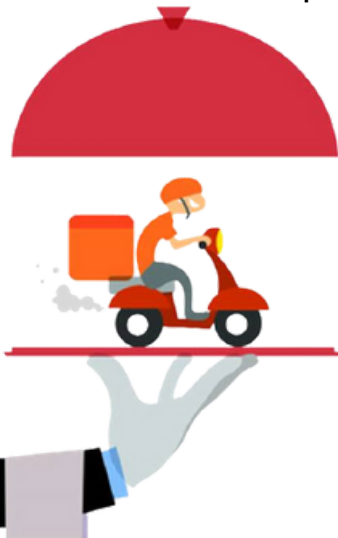
However, experts point out that Zomato positioning itself as a full-stack service provider to restaurants is still an undercooked pitch. SiduPonnappa, SVP engineering at Gojek India, explains that from a clientele point of view, the B2B supply model for restaurants is better suited for smaller and fragmented restaurants rather than established and branded chain restaurants that prefer having control over their own supply and procurement process. This may not be great for Zomato in terms of the scalability of this vertical.

WHY DID ZOMATO PROPOSE AN IPO IN THE MIDDLE OF A PANDEMIC?


Despite the hospitality sector experiencing a severe low blow financially in all aspects due to the pandemic, the consumer internet companies like Zomato experienced an angelic improve-

ment in their business in the initial lockdown, last year. Thus, Zomato has been improving financially by leaps and bounds and also shows a promising future, hence the company decided to file a draft red herring prospectus.

A SNEAK PEAK INTO ZOMATO'S GROWING OPERATIONS




KEY HIGHLIGHTS FOR ZOMATO'S IPO




Zomato's offer will include a fresh issue of ₹7,500cr (\$1billion) and an offer for sale of ₹750cr (\$100m) by Info Edge, its parent company.


A ₹1,500cr (\$201m) private placement may take place before the public issue, in the event of which the fresh issue may reduce.



In Q3 of FY21, Zomato has an average order value per user of INR 408 (a 7% growth from Q1 of FY21). Moreover, the company has also noted a 7% spike in its GOV (gross order value) increasing from INR 2,785 Cr in Q3 of FY20 to INR 2,981 Cr in Q3 of FY21.




The company has already raised INR 1,800 Cr (\$250 Million) in funding from Tiger Global, Kora and others in the fourth quarter of FY21. The company was veiled at \$5.4 Billion for this round.



Zomato has onboarded Kotak Investment Banking, Morgan Stanley, Credit Suisse, Bank of America Securities and Citigroup Global Markets India as the book running lead managers. Link Intime India, on the other hand, will act as registrar to the office.

The IPO revealed Zomato's shareholding structure. Uber is the second-largest stakeholder in Zomato with shareholdings of 9.13% as a result of Zomato's acquisition of UberEats India in January 2020. The largest shareholder is Info Edge with 19.55% shareholdings but it would be selling off shares worth INR 750 Cr (\$100 Million) in the IPO. Though Zomato has about 75 shareholders as of April 28, 2021, only 18 of them hold more than 1% shares in the company. Zomato's CEO Deepinder Goyal holds 5.51% shares in the company.



Zomato said that it has achieved positive unit economics with a contribution margin of INR 22.9 per order on average till Q3 of FY21. Thus, Zomato is making money per order on average, rather than burning cash to fulfil deliveries.

Researchers: Vidhi Barman, Bhavika Jeswani

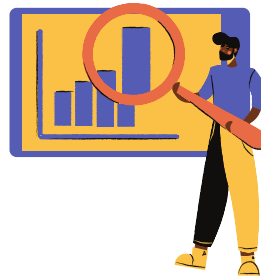
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Sources:

Financial Express, Forbes, The Economic Times

SUPERCYCLE OR CYCLICAL UPSWING?



READ TIME: 4 MINS

What is a commodity supercycle?

In the ordinary business cycle, demand and supply drive the prices of commodities. When demand rises more than supply, prices increase and when supply meets demand, prices fall. In a commodity supercycle,

Prices of commodities rise over decade-long periods since demand rises so abnormally strong that producers struggle to match, leading to a sharp rise in prices. Since the beginning of the nineteenth century, there have been 4 supercycles

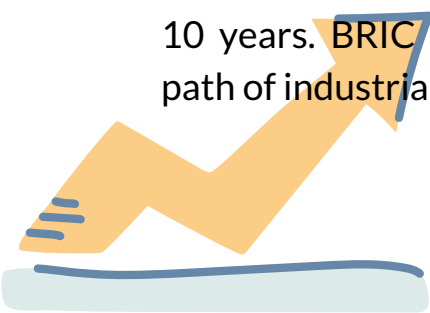
What did the last one look like?

The last supercycle began in the 2000s and continued for more than 10 years. BRIC countries were on a path of industrialization and as a

result, the demand for raw materials, food, and energy commodities was enormous. This slowed down with the Great Depression and Euro Crisis in 2008 and 2011.

Can we expect another commodity supercycle soon?

Analysts at JP Morgan and Goldman Sachs see signs of a new supercycle owing to the weakening dollar, supportive central banks and fiscal stimulus geared towards infrastructure spending as well as renewable energy. Ever since the beginning of 2021, prices of commodities like copper, rhodium, corn, crude oil, coffee steel prices have been increased by 265%. Prices of copper have hit an all-time high., soya bean have been on a rise.





The new commodity supercycle is resulting from:



Recovery in the global post-pandemic demand



- Supply-side constraints
- Loose monetary policy of global central banks
- Investment in asset creation due to fear of inflation



Why this might not result in a supercycle?

A few experts say that it may not be a supercycle since rising consumption rates across Asia, America and Europe are normalizing from lockdown lows and there is no evidence that they have exceeded their pre-pandemic levels. Also, there haven't been reports of material-intensive projects in any major economy. Even China is talking of withdrawing stimulus.



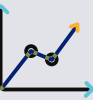


What's happening with oil?

Some analysts expect oil prices to surge near \$100 per barrel as lockdowns end and travel resumes. The oil prices dropped to negative in 2020, but have recovered as demand rose sharply than many had anticipated.



Early in 2020, OPEC held crude equivalent to 10% of the current global supply. Traditional producers are distressed by the possibility that an extended period of high prices could lead to a flood of supply out of OPEC's control.



How does this affect India?

This supercycle is leading to input cost pressures which is a growing concern as it will affect India which has taken up huge infrastructural plans and the rise in prices of steel and cement will have a bearing on the cost of infrastructure development. Companies would have 2 options, firstly passing on the cost to the customer or secondly, absorbing the cost. If India becomes self-sufficient, it will not be affected by the increase in prices except oil prices which will be of huge concern.



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Sources:

[Forbes](#), [Bloombergquint](#), [Live mint](#), [Aljazeera](#)

Top Cryptocurrencies Compared :

BITCOIN VS ETHEREUM VS

DOGECOIN

READ TIME: 4 MINS

The world has as many as 10000+ cryptocurrencies. But, Bitcoin and Ethereum are the top two dogs of the buzz, joined by Musk favourite Dogecoin.

Bitcoin, the first cryptocurrency created in 2009, introduced us to “Blockchain”. Precisely, it is an unregulated currency, provides an unalterable record of transactions ever committed on the network and these transactions are anonymous.



Later in 2013, Dogecoin was created to be a satirical alternative to the hype around Bitcoin. It is a joke named after the ‘doge’ meme which features a Shiba Inu, a Japanese dog breed. Dogecoin is mainly used as a tipping system on Reddit and Twitter to reward quality content.

Vitalik Buterin envisioned a different way. In 2015, he created a platform to trade more than just cryptocurrency – Ethereum. Bitcoin trades only in cryptocurrency, while Ethereum offers several methods of exchange, including cryptocurrency (Ethereum’s is called Ether), smart contracts and the Ethereum Virtual Machine (EVM).





	BITCOIN	ETHEREUM	DOGECOIN
Symbol	BTC	ETH	DOGE
Year developed	2009	2015	2013
Initial purpose	Created to be used as a currency or store of value	Created to sell processing power of decentralized network	Created as a joke spoof of Bitcoin and doge meme
Approx market capitalization	\$1.02 trillion	\$314 billion	\$41.4 billion
Number of coins	18.69 million	15.66 million	129.24 billion
Maximum number of coins	21 million	Unlimited, but issuance is fixed	Unlimited

CLEARLY, EVERY CRYPTOCURRENCY IS CREATED WITH SOME PURPOSE BUT WHERE DO THESE CRYPTOCURRENCIES GET THEIR VALUE?



Bitcoin has set a cap of 21 million Bitcoins of which roughly 18.7 million are in existence. This scarcity feature of Bitcoin increases its desirability over other assets including gold.

Whereas to mine Ethereum, you need to pump your own Ethereum as collateral and this is called staking. It reduces the amount of Ethereum available in circulation which raises the price. The supply of Ethereum is unlimited, but issuance is fixed, out of which 115.66 million are in existence.



Whereas in the case of Dogecoin, which has an unlimited supply, most of the surge in valuation of Dogecoin can be explained by exogenous events, such as the role of Musk. Also, some experts say, the prices have rocketed due to its fast and free transactions. Its supply is also unlimited with no fixed issuance. Universally, cryptocurrencies solve the problems of large and overseas transactions. with its decentralized infrastructure making direct money transfers quick, traceable, transparent, and immutable.



Proponents of Ethereum believe its main advantage over Bitcoin is that it allows individuals and companies to do much more than just transfer money between entities. It's still a very young platform, but its potential and applications could be limitless.

The deciding factor on whether crypto will replace cash is user adoption. But, once fully booted and integrated into our lives, cryptocurrency will make the world look completely different, in ways we can only begin to understand.



SOURCES:

The Print,
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