

KALKINE MEDIA MAGAZINE

March 2023



THREATS OF AI

One year of war between
Russia and Ukraine

Significance of
Crypto Insurance

ABOUT KALKINE GROUP

Kalkine Group is a prominent name in the subscription sales and media lines of business. A renowned equity market research, investor relations, and media house firm, Kalkine covers the financial markets of nearly 20 countries, including that of Australia, the UK, Canada, the United States, and New Zealand.

Kalkine Media® publishes data-driven general articles related to listed and unlisted companies, together with generating and publishing news on economic and other developments. Kalkine Media also operates on the model of an advertiser under its business-to-business (B2B) umbrella, providing a dedicated platform to subscribed clients to leverage various offerings that include exclusive banners on Kalkine Media's website, sponsored article coverages, videos, and webinars.

Periodic investor-focused events and webinars organised by Kalkine Media provide a crucial platform to several listed players/ private companies to apprise relevant stakeholders of their business vision amidst the broader industrial landscape and to interact with related audience including stockbrokers, fund managers/ SMSF investment managers, business executives, and retail investors.

Furthermore, the Group has interests in the education technology (edtech) industry through its Kal-Edtech+ vertical. Under this segment, tech-powered online courses on varied subjects including equity market, retirement planning, and project management are provided on an 'affordable education' model. The immersive smart learning online portal is advancing well since its launch in 2022.

TEAM KALKINE MEDIA

Team Kalkine Media comprises specialists, including equity, currency, commodity, and economic analysts providing in-depth and unbiased up-to-date analysis. The team of analysts, sector-specific journalists and editors has hands on experience in developing industry breaking and trending equity and economic news. The team strives to work on the vision of establishing a strong foothold, primarily as a reliable media firm.



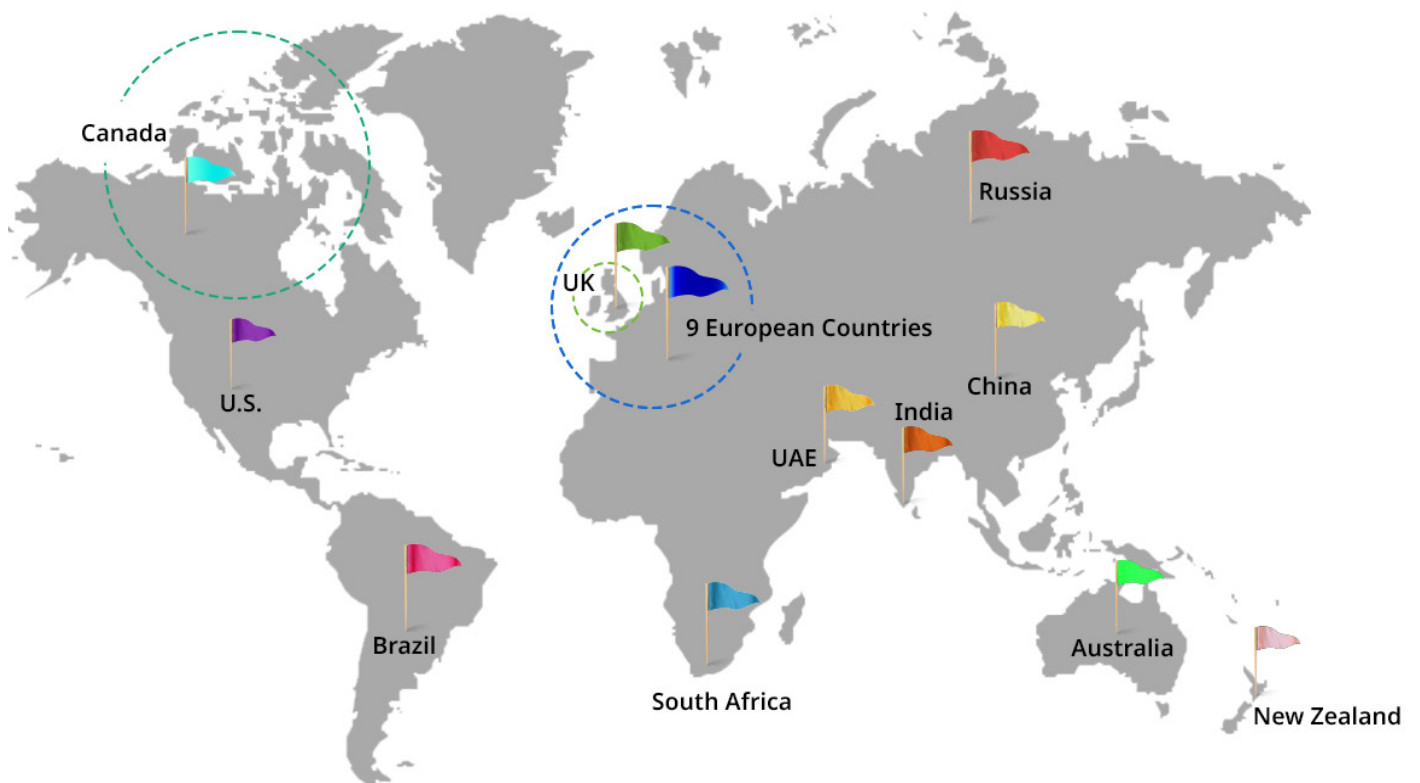
KUNAL SAWHNEY

Founder & CEO



Kunal Sawhney is the Founder & CEO at Kalkine Group and is a richly experienced and accomplished financial professional with a wealth of knowledge in the Australian equities market. His knowledge, skillset and vision provided all the perfect ingredients required to start one of the fastest growing equity market research firms across Australia. This was further supported by the aim of channelising energy and enthusiasm towards the stock market into a leading media research firm.

KALKINE GROUP FOOTPRINT



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Note From The EDITOR

Hello March! It is believed that the month of March holds in it a quiet strength to wake up nature without rushing it and interestingly, we too can grow in life without pushing it. So, let's usher in the new month with new learnings by just reading a collection of interesting articles.

The March edition of the Kalkine Media magazine gets you exclusive and insightful pieces of writing to help you gain immersive knowledge. You just need to sit back, relax and soak in all about the stories that are trending far and beyond. Happy Reading!

The edition begins with a special focus on the dark side of artificial intelligence (AI). The risks posed by AI have long been a topic of discussion. Some of them have been identified as automation of jobs, proliferation of false information, and a hazardous arms race. In this issue, you will have a deeper penetration into the threats of AI.

With the onset of March, the war between Russia and Ukraine has already entered its second year on the calendar. The ongoing conflict between

the two countries has derailed the global economy which was already reeling under pandemic led two years of uncertainty. The IMF has forecast global growth of 2.9% in 2023 compared to 3.4% in 2022. For 2024, it has projected global growth to rebound to 3.1%.

As you read further, you will find an in-depth coverage of two of our highly esteemed clients – IOUpay Limited (ASX: IOU) and Stratiform Business Solutions. IOUpay is a major participant in South East Asia's financial technology sector. Driven by the goal to be one of the leading digital transaction processors in the booming cashless economies of SEA, IOUpay continues to focus on strategic partnerships with payment gateways, financial institutions, digital payment processors and other reputable partners dealing with large communities of merchants and consumers. Continue reading to know how Stratiform, a long-standing Salesforce implementation partner in Australia, is empowering businesses with top-notch Salesforce solutions. Stratiform has delivered an impressive growth trajectory with its

dedication towards building aligned CRMs for its clients. The company is focused on configuring Salesforce using best practices and standard configuration that ensures a scalable solution and a valuable experience for its customers.

Among the n' number of questions running through our head, one question that's glaring much these days concerns the need of crypto insurance amid market volatility – Is insurance necessary for the uncertain crypto market? With the crypto market swinging wildly from one form to the other, calls for crypto insurance have grown louder. Crypto insurance is like any different policy, such as health insurance or life insurance, that covers losses related to cryptocurrency theft. Read a detailed piece on the topic later in this issue of the Kalkine magazine to have a better understanding.

Last but not the least, this edition touches upon the popular Adani saga. One of the biggest equity market headlines in February 2023 related to the continuous slide in values of listed shares of India-headquartered Adani Group after US-based Hindenburg Research released a report in late January alleging corporate misconduct by the conglomerate. Through the February month, Gautam Adani, who leads the conglomerate, also saw his net worth plunging and his ranking in world's richest persons sliding. Read the story and let us know what this story can actually teach equity market stakeholders.

So, that's about the 27th edition of Kalkine Media magazine. Scroll through the compilation and read your favourite stories! For any feedback or suggestions – write to us at info@kalkinemedi.com.

Stay Apprised, Invest Wise!



Manisha Gupta



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Kal-Edtech+

Become a professional in your field with Kal-Edtech+ Advanced Courses!

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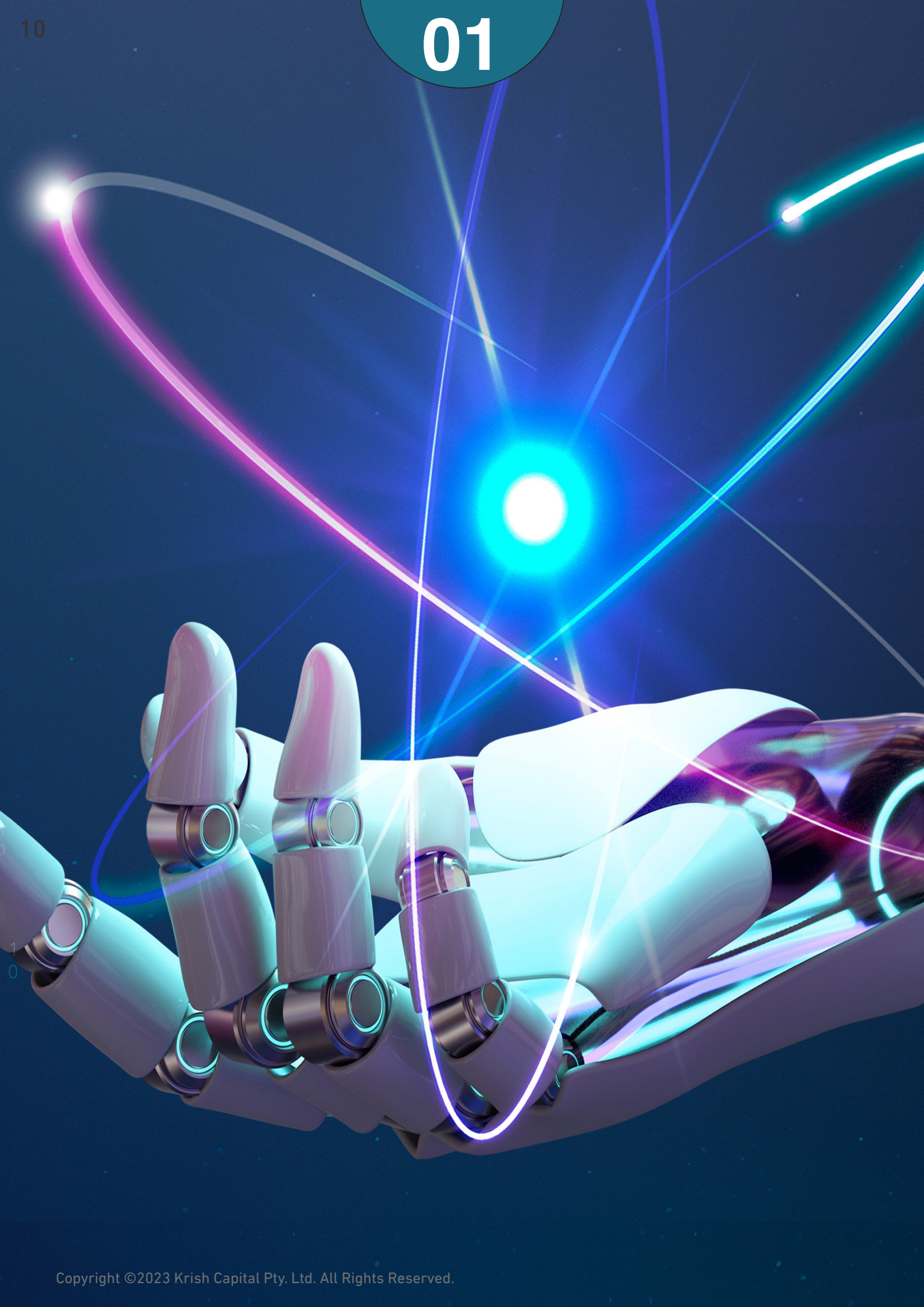
The Adani saga: Hindenburg allegations that led to US\$100B market cap erosion in 10 days

Since the release of the Hindenburg report, Gautam Adani's net worth has plunged and his ranking dropped in the list of world's richest persons.





Image source: Shutterstock



IS IT TIME TO GO GUNG-HO ON AI OR ARE THERE RISKS THAT ONE NEEDS TO WORRY ABOUT?

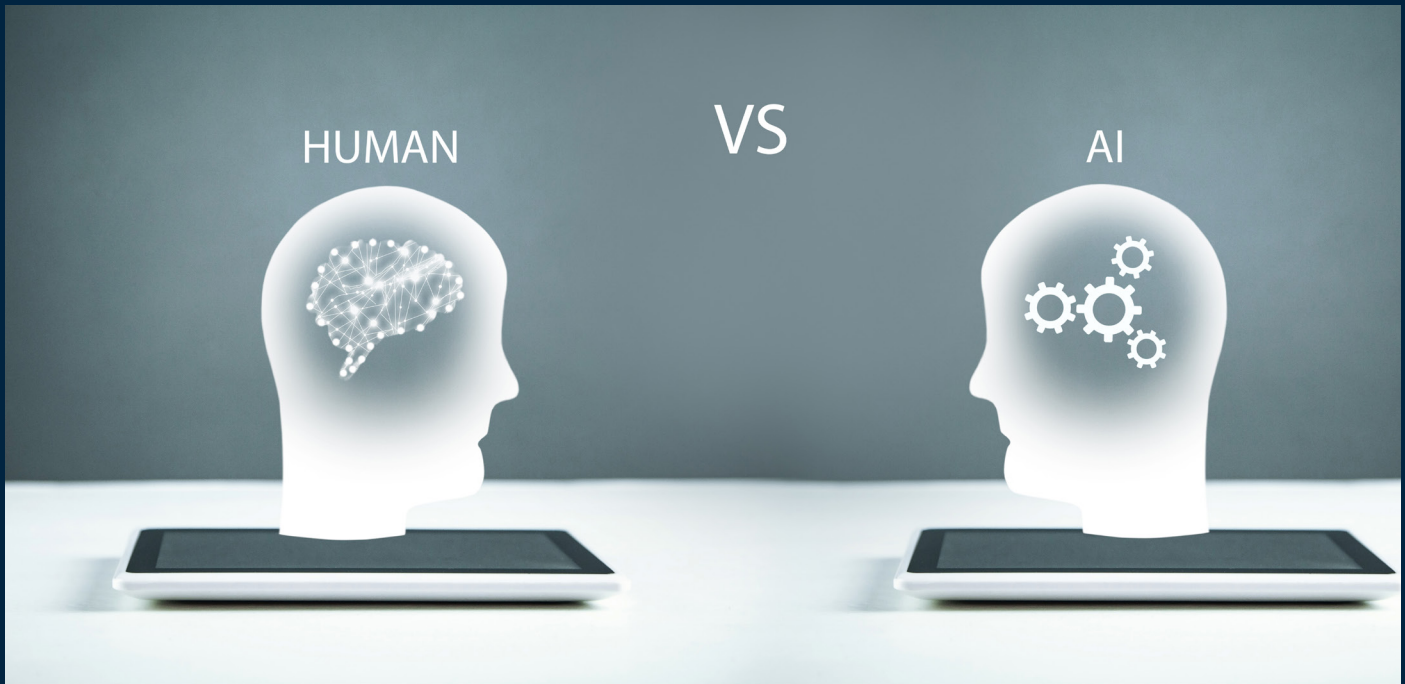
By Raza Naqvi

AI or Artificial Intelligence is currently the buzz word across the world and now, more than ever, the possibility of a highly intelligent machine seems more real than originally thought. It is now the right time to identify AI's dangers. While we go gungo-ho on AI anticipating a future with ultra-intelligent machines, it may already pose a danger in its present form.

Without the appropriate controls, AI could result in race or gender-based

bias, disparities, human job losses, and, in extreme cases, physical harm. One of AI's most devastating risks could be introducing biases into decision-making algorithms.

AI can learn over time using pre-fed facts and prior experiences, but it cannot come up with original solutions. This means that before the machine begins operating autonomously, you must train it with thousands of data sets and examples if you want it to be able to



perform specific jobs.

For instance, even though AI has been programmed to be able to do a particular task or work, there are some things it cannot do, as those tasks require interaction and knowledge from humans.

Here's what you must know

AI, in its current form, will not replace human jobs entirely, as it is only capable of performing simple tasks and cannot substitute the ability of humans to think creatively or intelligently solve problems. However, AI could also be used in several areas of our lives, from autonomous vehicles to medical diagnostics, by allowing machines to understand their surroundings more accurately and autonomously make decisions.

At its core, AI is about building machines that can think and behave intelligently and includes tools like Google's search algorithms or machines that make many tasks

possible.

AI vs Human Intelligence

Some researchers distinguish between narrow AI, which describes computer systems that excel in a small number of well-defined domains but fall short of humans in general AI, and narrow AI, which describes computer systems that can play chess, produce graphics, or detect cancer.

Superintelligence refers to systems with intelligence far exceeding human intelligence in multiple aspects. As AI systems get stronger and more versatile, they can surpass the human level of performance in many areas.

Some have even suggested that AI is making steady progress towards developing machines with intelligent abilities that soon will exceed human abilities in most areas. More advanced and powerful AI systems will be developed and deployed over the next few years. Those

systems may prove transformational, with both negative and positive consequences, and we can do some worthwhile work now, it seems. Whatever the rate of progress in this area, it seems like there is useful work to do right now.

We might have to reconsider the work goal if these technologies take over - and this means something entirely different from simply replacing humans with robots (or other machines). AI technology will displace some professions; therefore, people will have to adapt to this change and find other pursuits that provide them with the social and psychological advantages their previous employment did. The biggest role of humans will be ensuring AI's rise does not spiral out of control.

Is there more?

In addition to worrying about the nuclear arms race, we all must keep an eye on the global race to autonomous weapons. An even bigger concern will be whether governments develop deadly autonomous weapons without regard for human lives. AI programs that are programmed to do dangerous things, such as the case of lethal autonomous weapons programs, are a way in which AI could be dangerous.

Unfortunately, as our ability to harness artificial intelligence increases, we might also see it used for dangerous or harmful purposes. It could even produce deepfake videos, audio, and images, known

as deep fakes, that could pose financial risks, damage reputations, and defy decisions. AI can be used in the wrong hands, as in the 2016 US presidential election, to manipulate society and amplify disinformation.

AI can have many impacts on the work environment. Still, it will also open new opportunities for individuals of diverse skill sets, who may use their talents differently than they previously did. AI is also expected to create better jobs, and education and training will play a critical role in preventing prolonged joblessness and in providing a skilled labor force. Ultimately, experts in this area are working towards achieving more generalized AI, in which systems can handle every task capable of being done by an intelligent person and are more than likely to outperform humans in many aspects.

One of AI's most pressing dangers is techno-solutionism, the idea that AI may be seen as the panacea when it is just a tool. As we see greater advances in AI, there is an increasing temptation to apply AI solutions to all societal problems.

SPILOVER EFFECTS OF WAR BETWEEN RUSSIA AND UKRAINE

By Versha Jain

It's been a year since Russia's invasion of Ukraine on 24 February 2022.

The world has seen a major shift with this unexpected manifestation of events. When the war started, nobody expected it to last for one year. Instead, even now, nobody knows when the ongoing destruction will finally be over.

Millions of lives and billions of funds have been lost, but Russia's aggression and Ukraine's resolve to fight back remain intact.

While these two countries have stuck to their stance, the world could not remain unaffected by the unfolding events consequent to the war. Countries have used measures and pressure strategies on Russia, but the resource-rich Russia did not budge.

After two years of the pandemic, when the economies were preparing to recover, this war aggravated concerns for the already ailing



All images source: Shutterstock

pandemic-affected global economy. It crushed the recovery plans by offering the world issues such as the energy crisis, food scarcity, supply chain issues and up-roaring inflation.

Let us look at how this conflict has impacted the global economy.

Energy market: The war led to increased tension between Russia and the West. The sanctions put on Russia led to a disruption in the natural gas supply to Europe, which is heavily dependent on Russia for energy. Naturally, it resulted in record-high energy prices and a volatile market throughout the year.

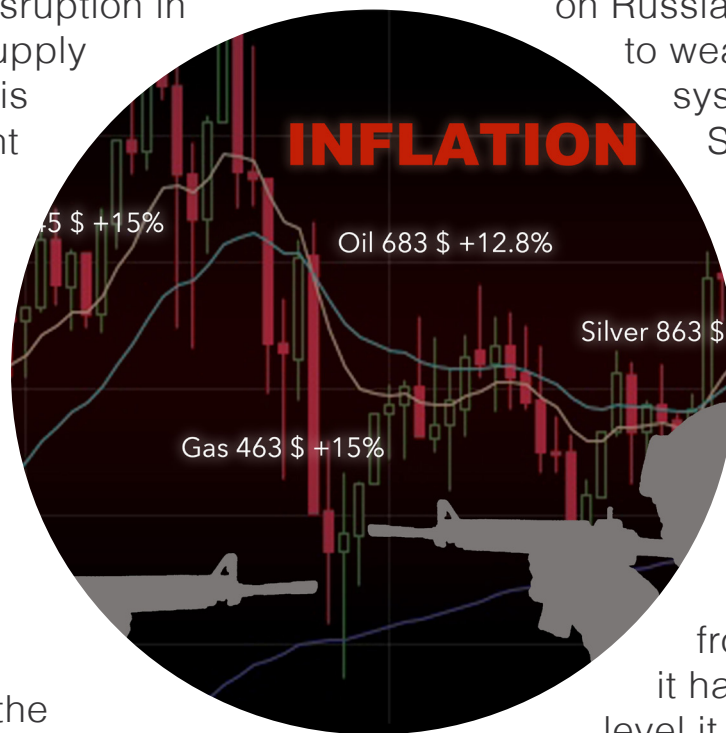
European Union had been one of the main importers of Russian natural gas until the tensions erupted. In 2021, the EU imported 83% of its natural gas from Russia, but since the war started, its gas imports have reduced. From January to November 2022, EU gas imports were reduced to around one-fourth of its total natural gas imports.

Trade and investment: Russia is one of the world's top three crude oil producers and relies heavily on the revenue from oil and gas. Sanctions on exports to and imports from Russia have elevated not only energy prices but also the prices of other commodities. Blocking the

seaport for Ukraine also aggravated food scarcity, for which the country is a lead exporter.

Due to the invasion of Ukraine, many companies from the energy, utilities and technology sectors have withdrawn from the Russian market in the last year.

Currency market: The imposed sanctions included a SWIFT ban on Russian banks as a blow to weaken its financial system and economy. Surprisingly, Russia did not seem to be much dented with banning from the global SWIFT payment system. After the one-year peak in March 2022, the ruble weakened but started gaining from June, though it has not reached the level it was a year ago.



Geopolitical tensions: The other important aspect of this conflict between the two countries is the tensions between Russia and the West, Europe, and other countries. For example, Germany reduced its gas import from Russia. But at the same time, other countries, including China, India, Brazil, Vietnam, and Turkey, increased their energy imports from Russia.

Overall, the damage from the war has not been for only one year or for the time it continues. Rather, it will have a far-reaching and longer

impact on the world economies.

How has Russia, Ukraine and the rest of the world got affected?

Russia's real GDP growth came in at -3.4% for 2022 and the inflation rate was 13.8% for 2022, nearly double of the previous year's 6.7%.

Ukraine lost some of its lands, and disturbance caused lower agricultural production. The lower production, loss of properties and political instability caused inflation in the country. Ukraine, witnessed acute inflation rate of 20.6%, and a real GDP of -35% in 2022 as per IMF.

As per the IMF update on the world economic outlook in January this year, the global economy is

expected to rebound next year after a slower 2023. The weaker growth this year could be attributed to inflation and Russia Ukraine war; however, according to the IMF, the inflation is declining, and growth is bottoming out.

As per the revised growth forecast from IMF for 2022 and 2023, the global growth is expected to be 2.9% in 2023 compared to 3.4% in 2022. For 2024, IMF forecasts a growth rebound to 3.1%.

However, the cautionary approach should still be in the backdrop as the updates are encouraging, but inflation is still biting, and the fight against inflation is not yet over.

RUSSIA	2020	2021	2022
GDP (US\$)	1.48 trillion	1.78 trillion	2.13 trillion
GDP growth (annual %)	-2.7%	4.7%	-3.4%
Inflation (annual %)	3.4%	6.7%	13.8%

UKRAINE	2020	2021	2022
GDP (US\$)	156.62 billion	199.72 billion	NA
GDP growth (annual %)	-3.8%	3.4%	-35%
Inflation (annual %)	2.7%	9.4%	20.6%

Data source: imf.org

Image source: ©2023 Krish Capital Pty. Ltd





IOUPAY (ASX:IOU) MAKING BIG MOVES IN SEA FINTECH LANDSCAPE

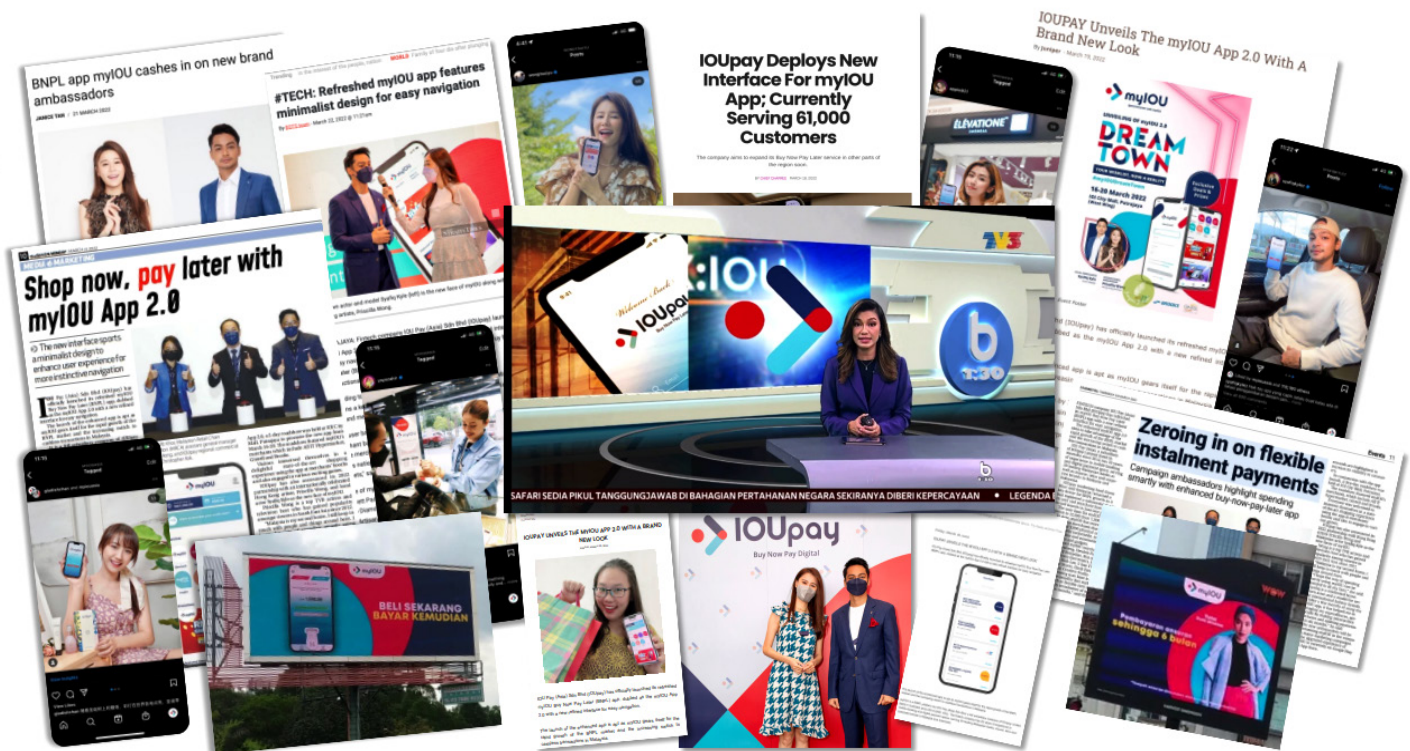


Image source: IOU presentation

By Manisha

IOUPAY Limited (ASX:IOU) is a major participant in South East Asia's financial technology sector. Through financial access, fairness and freedom, this ASX-listed company is committed to building a world of greater opportunity and sustainability for future generations.

Its fintech and digital commerce software and services enable institutional customer base to securely authenticate end-user customers while processing

payment, purchase, and banking transactions.

Driven by the goal to be one of the leading digital transaction processors in the booming cashless economies of SEA, IOUPAY continues to focus on strategic partnerships with payment gateways, financial institutions, digital payment processors and other reputable partners dealing with large communities of merchants and consumers.

IOUpay's business divisions

The fintech player conducts operations across two business divisions, connecting banks,

telcos, big brands and their e-commerce or instore merchant networks with their customers.



MOBILE BANKING

IOUpay suggests that it is one of Malaysia's top 3 mobile banking transaction processing, e-KYC and authentication platforms, catering to over 20 million customer authentication and mobile banking transactions every month in Malaysia. IOUpay services leading banks, telcos

and insurers in Malaysia as well as other large corporates in Indonesia and Malaysia.

During November and December, the mobile banking division registered record transaction volumes, up 35% quarter-on-quarter, and reaching 38 million transaction events in December.



DIGITAL PAYMENTS

Multi-biller operator

IOUpay platform connects billers and end-user customers, enabling the purchase of utilities, common household goods and services to be paid for using e-wallets, debit cards and over-the-counter cash top ups at convenience stores. This involves the processing of bills which are categorised as prepaid or postpaid.

Instalment Credit (including BNPL)

Malaysia's BNPL Gross Merchandise Value (GMV) of US\$287 million in 2021 is forecast to grow at a CAGR of 49% to hit US\$6.5 billion by 2028, suggests

IOU referring to independent market studies.

IOUpay officially launched myIOU, its flagship buy now pay later (BNPL) service, in June 2021. As of 31 December 2022, nearly 3,000 merchant outlets are active on the myIOU platform across 13 industry verticals. These active outlets account for relationships with over 1,000 businesses from around Malaysia.

IOU continues to upgrade its platform capabilities and to innovate to add value with a seamless user experience consistent with its premium branding.



Click to watch

Finances

Despite global market turmoil, IOUpay marked the December 2022 quarter as the fifth consecutive quarter with a positive adjusted Net Operating Cashflow. A positive effective net cash inflow of AU\$3,507,000 was generated from the underlying BNPL business during the period. IOU held nearly AU\$4.4 million in cash and call deposits at

the end of the quarter.

Also, IOUpay ended the full year on 31st December 2022 with Total Transaction Value of over AU\$31.5 million and Net Transaction Revenue of more than AU\$1.8 million. The resultant myIOU Income Margin was recorded at 5.8% for the one-year period to 31 December 2022.

Strategic partnerships

Entering strategic partnerships with reputable partners managing large communities of high-value merchants and consumers is central to the company's strategy for growth.

IOUpay boasts product distribution

relationships with prime players across diverse sectors, including Pine Labs, Bank Simpanan Nasional, PayHalal, SOGO Departmental Stores, ManagePay, Revenue Monster, MobilityOne, and senangPay.

IOUpay's innovative and secure technology platform

- myIOU Merchant App UI/UX : Upgrade to the merchant app consistent with the recent consumer app refresh. Rollout Q4 FY23.

- Experian Credit Analysis Tools : Integration to myIOU platform. Additional to (and a backup for)

the primary credit reference service provided by CTOS Digital. Rollout Q3 FY23.

- PCI-DSS Certification : Reinforces IOUpay's strong credentials in payment processing, customer identification, fraud protection and data security.

PRODUCT INNOVATION & DEVELOPMENT

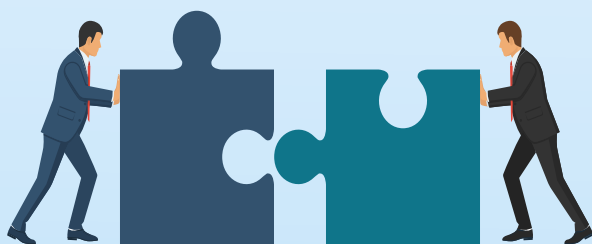


myIOU Business+, a new, short-term financing solution for business-to-business purchases for SMEs in Malaysia, is now available, complementing IOU's existing B2C BNPL service.

This initiative provides a simple-to-use online funding tool for business customers to process B2B payments efficiently, with cash flow benefits for both purchasers and suppliers.

myIOU Business+ is structured as a 'pay-in-four' instalment plan over three months (every 30 days). Four equal payments, each being 25% of the invoice amount, are collected via FPX-linked automated direct debit to the purchaser's account. The first 25% payment is collected to initiate a transaction and then subsequent instalments are collected every 30 days thereafter.

All Images source: Shutterstock



IDSB Strategic Partnership Initiative – Bridging Loan



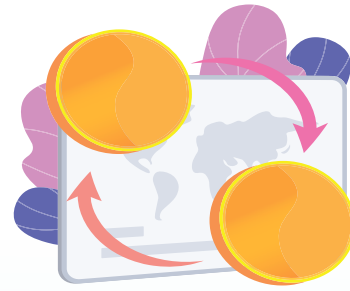
Under the Strategic Partnership Agreement with I.Destinati Sdn Bhd (IDSB), IOUpay announced a new, local market-first Bridging Loan product in September tailored for and targeting newly employed Federal Government Servants.

In December, IOUpay received and accepted a Letter of Offer from a leading Malaysian NBFi to provide a one-year AU\$1.7 million debt facility for the purpose of funding the product.

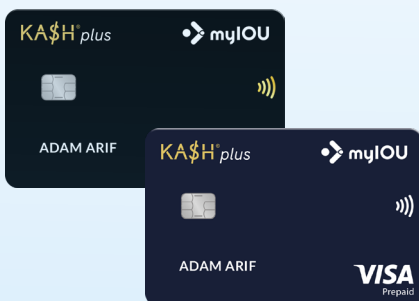
This inaugural debt facility enables IOUpay to develop debt servicing credibility in the debt capital markets, facilitating greater access to non-dilutive capital.



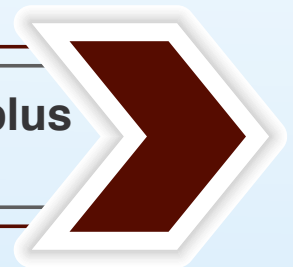
myIOU 2.0 Phase 3 Foreign Currency Capability



The myIOU 2.0 Phase 3 development was completed in December. Amongst other enhancements, Phase 3 includes functionality to process myIOU transactions in two foreign currencies. This will facilitate cross-border transactions in anticipation of expansion into additional South East Asian jurisdictions, a substantive development milestone on IOUpay's Roadmap for 2023.



Co-Brand myIOU KA\$Hplus Visa Prepaid Card



myIOU KA\$Hplus Visa prepaid card to reward existing myIOU consumers with its features of prepaid loading, top-up & credit-card-style usage. The card is aimed to be a game-changer with its upcoming function to enable BNPL purchases made anytime anywhere, including the coverage of global merchants.

All Images source: Shutterstock



myIOU Islamic



After winning certification from a Shariah Advisor licenced by the Securities Commission Malaysia, the first Shariah-compliant BNPL transaction was processed in early September.

myIOU Islamic opens access to new communities of consumers and merchants in Malaysia and pre-positions the company for territory expansion into additional SEA countries with large Islamic populations.

STRATIFORM EMPOWERING BUSINESSES WITH TOP-NOTCH SALESFORCE SOLUTIONS



Image source: Company website

By Manisha

A long-standing Salesforce implementation partner in Australia, Stratiform has delivered an impressive growth trajectory with its dedication towards building aligned CRMs for its clients. The company is focused on configuring Salesforce using best practices and standard configuration that ensures a scalable solution and a valuable experience for its customers.

Stratiform's association with Salesforce dates back to 2009. Since then, it has been gaining ground in the industry for its

'no-nonsense, straightforward implementation process.' Its emphasis on no complications cuts down thousands of unnecessary dollars on initial development and updating code. Stratiform allows enterprises to direct their money towards investment in business growth and sales alignment. This gives Stratiform an edge over other implementation partners that focus on cookie cutter implementations, forcing their clients into a box or blowing out the price to exorbitant levels and costing the business huge expenses.

Business services offered by Stratiform

Stratiform is known for offering top-notch Salesforce solutions for businesses in Australia and worldwide. The business consulting services offered by Stratiform are centred around two main concepts: Process engineering and reengineering and business strategy review. It helps businesses identify problem areas and not just recommend but implement needed changes.

Stratiform hosts a team of experienced and skilled consultants to help companies implement the right technology as well as the right processes to achieve success.

• Application Development

Stratiform's team of developers and designers deliver web applications as well as smartphone apps as per business requirements.

• Website Development

For businesses that need a professional website with proper SEO implementation, Stratiform designs and develops websites following business objectives and desired outcomes.

• Search Engine Optimisation

Stratiform, in collaboration with partners, has developed an SEO formula with an effective algorithm to help businesses get noticed.

Recognitions and rewards!

Stratiform has been consistently winning awards thanks to the

company's steadfast focus on delivering the best for its customers. Stratiform was honoured with "APAC CIO Outlook Magazine Top 10 Salesforce consulting/Service companies 2018". Also, the company was honoured with "The Best Performing SALESFORCE Solution Providers 2021" by the Enterprise World.

Broadening its horizon

Stratiform Business Solutions has been expanding its client base with some of the finest companies in Melbourne. Over the years, the company has worked in partnership with a-grade system solutions to allow its customers unlimited access to the best in the industry. The current network of partners includes: Instacare (NDIS Provider), Melbourne Legacy (Not for Profit), Criterion Industries, People Medical Consulting, Seasons Apartment Hotel Group, Dragoman, Energy Power Systems Australia (CAT), Gedeon Richter, Steinert Australia, Eastern Volunteers, Numerisk, Shotton Lifts, Aus Asia Finance Hub (AAFH), Public Fundraising Regulatory Association (PFRA) and Doncaster Basketball Club.





Image source: Shutterstock

IS CRYPTO INSURANCE THE NEED OF THE HOUR AMID MARKET VOLATILITY?

By Manu Shankar

In asset classes, the availability of insurance allows businesses to take risks, innovate and trade. While traditional investments in stocks and securities are often regulated, asset classes such as cryptos are usually deemed risky.

At a time when cryptos are not regulated, and many exchanges and crypto coins are losing their value, market participants are often in two minds about whether investing in crypto is worth it. While the traditional markets are protected through various regulatory

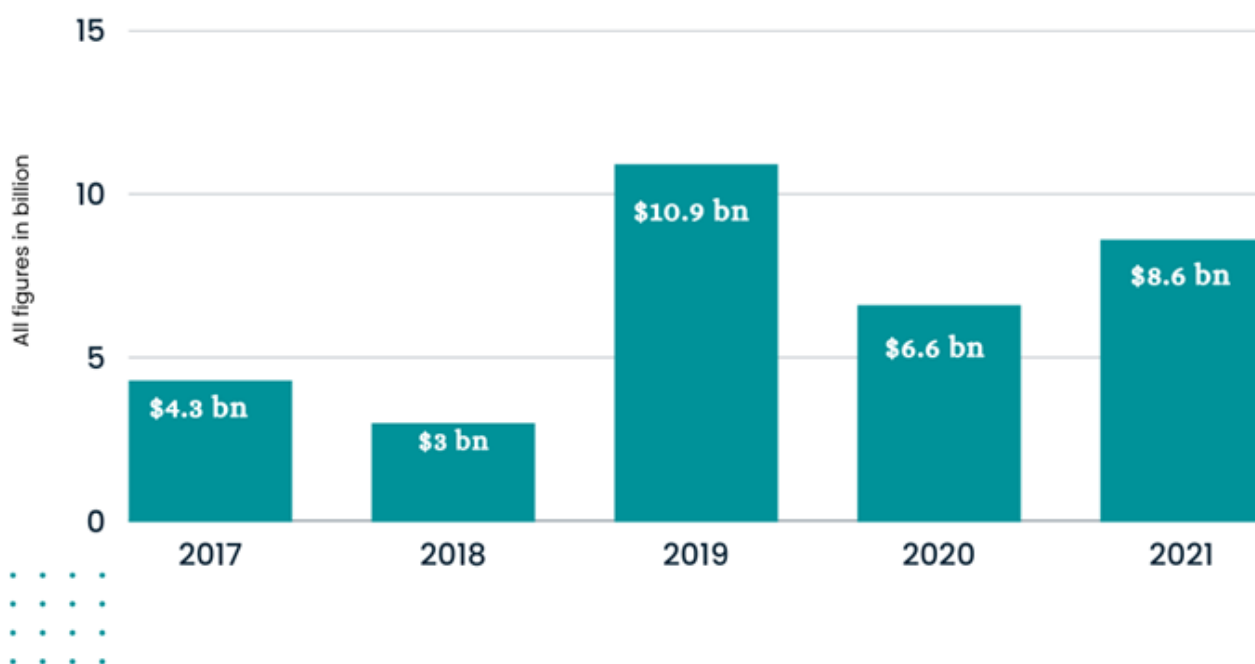
authorities such as the SEBI, FCA, SEC etc., cryptocurrency investors often pine for crypto insurance.

In fact, in 2022 alone, the Terra Luna collapse, 3AC, Voyager and the FTX made investors cringe at the unregulated crypto market. The high-profile hacks include the Axie Infinity US\$ 615 million hack and the famous Ronin scam, which saw investors lose US\$ 23.3 million.

According to Chainalysis' 2022 Crypto Crime Report, cryptocurrency-based crime touched an all-time high in 2021. The illicit addresses receiving money also increased to US\$ 14 billion from US\$ 7.8 billion in 2020. Not just that, the annual total cryptocurrency stolen by victim type has also shot up significantly between 2019 and 2022.

TOTAL CRYPTOCURRENCY VALUE LAUNDERED

Time frame: 2017-2021



What is crypto insurance?

Crypto insurance is like any other policy, such as health insurance or life insurance, that covers losses related to cryptocurrency theft. An exchange, wallet or corporate entity with unique offerings may carry out such policy

offerings.

That said, the available crypto insurance is primarily limited to the evolving value of the underlying asset, not the initial investment value. This leaves crypto traders and investors exposed to market volatility and potential losses.

Crypto insurance & its operations

The lack of familiarity with the market and volatility could be a few reasons why it evolved. But, with the increased adoption, newer entrants are venturing into the domain to invest. But even as the insurance in cryptos is relatively new, established platforms such as Lloyd's, Nexus Mutual, InsurAce etc. and native platforms are currently offering crypto insurance.

Today, blockchain is playing a big part in the insurance sector. The blockchain-based insurance helps record transaction data, sizes etc seamless claims settlement. If implemented properly, this may also

help in increasing the adoption of cryptocurrencies overall.

Will regulations see an increase in the scope of crypto insurance?

Well, it would be too early to say if regulations will bring crypto insurance into the fold. But it will certainly give a broad pathway for the sector's development and become bigger in the future. If and when crypto regulations come into the fold, it will be seen as a commodity, thus giving banks and insurance firms a chance to provide offerings to customers to protect



their crypto investments.

Today, with investors wanting to safeguard themselves against unwarranted losses and protecting their investments, crypto insurance may well be one of the following sunlight sectors in the future.

Risk Disclosure: *Trading in cryptocurrencies involves high risks, including the risk of losing some, or all, of your investment amount, and may not be suitable for all investors. Prices of cryptocurrencies are extremely volatile and may be affected by external factors such as financial, regulatory, or political events. The laws that apply to crypto products (and how a particular crypto*

product is regulated) may change. Before deciding to trade in financial instruments or cryptocurrencies, you should be fully informed of the risks and costs associated with trading in the financial markets, carefully consider your investment objectives, level of experience, and risk appetite, and seek professional advice where needed. Kalkine Media cannot and does not represent or guarantee that any of the information/data available here is accurate, reliable, current, complete, or appropriate for your needs. Kalkine Media will not accept liability for any loss or damage as a result of your trading or your reliance on the information shared on this website.



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Kal-dtech+

Immersive smart learning on the go!



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Become a professional in your field with Kal-Edtech+ Advanced Courses!

By Akanksha Vashisht

Finance and investing are two areas that offer investors a vast playfield when it comes to learning a new skill. These fields only get more complex as you dive

deeper into them, so there is always something new to explore. Kal-Edtech+ advanced courses offer experienced individuals the chance to take a leap in the field of their choice and excel in it.

How You Can Invest Like A Pro

If investing is your passion and planning for every task comes naturally to you, then this course would be your perfect pick. This course has been designed for investors who have a knack for investing and have prior experience or knowledge in this field. Our beginner level course “Learn the Joy of Investing” is the perfect steppingstone for investors who wish to take this Advanced course but do not know how to get started.



Here are some of the Advanced Level Courses that offer skilled insights across varied fields



A Complete Guide To Options Trading

You can love options trading for the elaborate assortment it offers or hate it for how convoluted it can get, but you cannot ignore it as an investor. For most beginners in the field, options can seem like a complex web of investing strategies that only sophisticated investors would know. But this course is here to change that notion. With this course, you can learn how to gauge the power of options and take strategy-driven decisions for portfolio building.



All About Corporate Finance

This course is the perfect blend of finance and management, examined from the perspective of corporations. If you wonder what drives large corporations and businesses towards the decisions they take, then corporate finance forms the fundamental core of the same. The course discusses key aspects such as calculating return on investment, valuating stocks, bonds and other assets.



THE ADANI SAGA: HINDENBURG ALLEGATIONS THAT LED TO US\$100 BILLION MARKET CAP EROSION IN 10 DAYS

By Ankit Sethi

Can a report by an investor research firm -- also a short seller -- trigger a huge drop in the wealth of one of world's richest persons and also in related companies' market cap? One such event recently shook the equity investment space. A report in January 2023 by a New York based investment research firm Hindenburg Research on India's mighty Adani Group prompted a sweeping selloff in the conglomerate's listed stocks. Hindenburg Research is not new to this game, in year 2020 the investment firm published a negative report on commercial EV maker

Nikola Corporation.

Below are some of the key aspects of the episode, which comes as a timely reminder that even the most well-placed stocks can lose dramatically over a short term when allegations of corporate misdoings are raised.

The Hindenburg Report

Published in January 2023, the month when the global equity market was largely recording gains after a tumultuous phase in 2022, the report uses the term 'largest con' in its title. The nearly 32,000-worded

report, which can be accessed on Hindenburg Research's website, was published when the head, Gautam Adani, of the company in question was the world's third richest person. Notably, Adani also briefly became the second richest person, surpassing Elon Musk, before this episode.

Hindenburg claims its report to be based on a two-year long investigation that it asserts had carried out regarding the affairs of the multi-billion-dollar market cap conglomerate. Hindenburg in its report allege India's Adani Group of 'brazen stock manipulation' and 'accounting fraud' lasting many decades.

One of the most serious allegations by Hindenburg include unlawful use of offshore shell companies in tax-haven jurisdictions by the conglomerate for generation of 'fake or illegitimate turnover'.

The Effect

On back of the report, Adani Group's key entities' share prices plummeted immediately in the aftermath, causing a decline in Gautam Adani's personal fortune -- he is no longer in the list of top 10 billionaires. Within almost one week of the release of the story, the conglomerate had lost US\$100 billion in market capitalisation, with many fearing that the turmoil could deal a severe blow to India's broader equity market landscape.

It is pertinent to note that Adani Group is into varied businesses, with deep interests in infrastructure



Image source: Pixabay.com

including ports, airports, mining, and green energy. The losses sustained by Adani Group -- more than half the market cap was lost by 4 February 2023 when compared to the value immediately before the report -- made newspaper headlines in the country and beyond.

On its part, the group retaliated by terming the report 'a calculated attack on India'. Adani Group asserted that Hindenburg Research's allegations were an attack on the 'independence, integrity, and quality of Indian institutions.

The report did derail the follow-on public offer (FPO) of Adani Enterprises despite Adani being able to attract institutional investors' interest.

ADANI'S NET WORTH

23-JAN-23 US\$120 BILLION

22-FEB-23 US\$46 BILLION

Company	Industry	Drop in market cap between 24 Jan 2023 and 22 Feb 2023
Adani Enterprises	Conglomerate	-58% ↓
Adani Total Gas	Natural gas	-79% ↓
Adani Transmission	Power transmission	-71% ↓
Adani Green	Renewable energy	-72% ↓
Adani Ports & SEZ	Ports and logistics	-26% ↓
Adani Power	Power producer	-40% ↓
Adani Wilmar	FMCG	-32% ↓
Ambuja Cements	Cements	-31% ↓
ACC	Cements	-24% ↓

Source: NSE



Image source: Shutterstock



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Key Institutions Issue Clarification

Major institutions hold exposure to Adani Group, be it in the form of equity investment or through lending. India's government backed insurance behemoth - LIC holds Adani Group's stocks, while State Bank of India (SBI), country's biggest lender, has issued loan to the Adani group. These institutions issued clarifications stating that their holdings in Adani Group were not substantial and do not pose any threat to their investment portfolio.

Shares of listed entities of Adani Group constantly lost value in the wake of the report, however, there were phases when the shares gained in between, but in general,

the securities have since remained volatile, especially because of later developments like MSCI deciding to lower the weightage of group's stocks and Moody's deciding to downgrade the group's ratings.

A negative report, with serious allegations like 'accounting fraud' and 'use of offshore tax havens' can prompt a big time selloff in related stock/s, the Hindenburg-Adani episode has revealed. This is why it is always advised that market participants should keep tab on both fundamentals of any stock and the latest news about the company and its management.

Previous Versions



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