

A royal somersault: On Jyotiraditya Scindia's defection

Mr. Scindia's switch to the BJP poses questions about the politics he professed until now

Jyotiraditya Scindia's departure from the Congress and his arrival in the BJP reveal many traits of both parties and the man himself. That he is termed as the lost future of the Congress is itself an irony, but a more intriguing question is whether the party was intuitive in not humouring any further someone who could so effortlessly cross over to the opposite ideological extreme. His aunt and BJP leader Yashodhara Raje Scindia likened his switch to a "homecoming". In his crossing over, he also betrayed a popular mandate that he himself worked to win for the Congress in Madhya Pradesh in 2018. The Kamal Nath government is likely to collapse, and Shivraj Singh Chouhan who lost the poll appears set to return as CM with Mr. Scindia's collaboration. As for the Congress, which needs every morsel to keep itself alive, it can ill-afford the loss of a State government and an urbane face who has a wider appeal. With his decamping, a new template is on offer for other Congress leaders who are ambitious and impatient at the same time, and are free of the force of conviction. The Congress is drifting into an annihilating eddy. Its interim president, Sonia Gandhi, still its most authoritative person, will have to do what is in her command to steer it back on course. His exit poses two questions for the Congress — the commitment of its leaders to a core ideology, and what it can do to hold itself together in this moment of crisis. Surely, the party needs to promote a new crop of young and rooted leaders from the country's social diversity, who find it a vehicle of their aspirations and political empowerment.

Mr. Scindia's formal ordination as a Hindutva torchbearer will not automatically raise him to a dominion role in a party so overwhelmingly under the personalised command of Prime Minister Modi and Home Minister Amit Shah. True, he was an enthusiastic supporter of the abrupt nullification of Jammu and Kashmir's special constitutional status last year, but he had also openly called out the BJP government's insensitivity and inefficiency in controlling the communal violence in Delhi in February. Mr. Scindia will have to earn his saffron stripes, and the rites of that initiation will be prolonged and testing. The BJP, and the Modi-Shah combine that rail against dynastic and entitlement politics, will have to spin a new story for Mr. Scindia, who will be the fifth Gwalior royalty to adorn a formal position in the party. His father, Madhavrao Scindia, who spent most of his life as a Congressman, had started his career as a Jan Sangh leader. While his lineage might be a burden of sorts in the anti-elite politics that the current BJP leadership claims to promote, the aged association of his family with Hindutva politics could make him eligible for a welcome that the RSS usually does not offer to latecomers. As he said, it will be a new beginning.

Meanings of Difficult Words :

- **somersault** (noun) – an instance (as in gymnastics) of rotating (jumping/rolling) one's body 360 degree with someone's feet going over one's head; gymnastics.
- **defection** (noun) – desertion, absconding, decamping.

- **switch** (noun) – change/move.
- **profess** (verb) – state one’s faith in, affirm one’s allegiance to, acknowledge publicly.
- **trait** (noun) – characteristic, attribute, feature.
- **lost** (adjective) – missed, neglected, wasted.
- **irony** (noun) – paradox, incongruity, peculiarity.
- **intriguing** (adjective) – interesting, fascinating, arousing, compelling.
- **intuitive** (adjective) – instinctive, natural/automatic, spontaneous, impulsive.
- **humour** (verb) – give way to, go along with, comply with, adapt to accommodate.
- **cross (over)** (phrasal verb) – to change (from one activity (supporting one group) to another (group)); to join a different (political) party.
- **ideological** (adjective) – relating to a system of ideas.
- **liken to** (verb) – compare, equate, correlate/match.
- **homecoming** (noun) – an act of returning back to home.
- **betray** (verb) – be unfaithful to, break faith with, be disloyal to, let down.
- **collaboration** (noun) – cooperation, alliance, partnership/association.
- **morsel** (noun) – a small piece/amount (of something).
- **keep alive** (phrasal verb) – keep going, continue, sustain.
- **can ill-afford** (phrase) – to prevent something from happening because it would be embarrassing and cause problems (if it happens).
- **urbane** (adjective) – courteous, polite, charming.
- **template** (noun) – model, pattern/example, blueprint.
- **on offer** (phrase) – available.
- **ambitious** (adjective) – difficult, exacting, formidable/challenging.
- **impatient** (adjective) – discontented, displeased, agitated/restless.
- **conviction** (noun) – belief, opinion, view, thought.
- **drift** (verb) – move (aimlessly/automatically into a certain situation).
- **annihilating** (adjective) – destroying, defeating, eradicating (something completely).
- **eddy** (noun) – figuratively to refer confusion, disturbance, disorder/turmoil; In general it means circular movement, countercurrent, counterflow.
- **interim** (adjective) – provisional, transitional, temporary.
- **authoritative** (adjective) – official, legal, authorized.
- **steer** (verb) – guide, conduct, direct/lead.
- **on course** (phrase) – on track, on target, on schedule.
- **ideology** (noun) – beliefs, ideas/opinions, principles.
- **hold together** (phrasal verb) – remain united.
- **crop** (noun) – batch, group.
- **rooted** (adjective) – established.
- **social diversity** (noun) – a feature of a society which is determined by caste, class, religion, occupational pattern in a given territory.
- **vehicle** (noun) – mechanism, medium/channel, instrument.
- **aspiration** (noun) – desire, hope, longing.
- **empowerment** (noun) – accreditation, authorization, validation.
- **ordination** (noun) – induction, introduction, installation.
- **torchbearer** (noun) – advocate, proponent, promoter.
- **overwhelmingly** (adverb) – with a great majority.
- **personalized** (adjective) – relating to something which is done to meet someone’s individual requirements.
- **enthusiastic** (adjective) – wholehearted, committed, passionate.

- **abrupt** (adjective) – sudden, immediate, unexpected.
- **nullification** (noun) – invalidation, annulment.
- **call out** (phrasal verb) – draw attention to someone’s bad actions.
- **insensitivity** (noun) – lack of awareness, lack of concern, not caring about others’ feelings.
- **inefficiency** (noun) – incapability, inability, failure, carelessness.
- **stripe** (noun) – type, category, character/style.
- **rite** (noun) – custom, practice, order, tradition.
- **initiation** (noun) – an act of allowing someone in a group/society (with a ritual).
- **prolonged** (adjective) – lengthy, constant, continuous.
- **testing** (adjective) – challenging.
- **rail against** (phrasal verb) – make a protest against, denounce, censure.
- **dynastic** (adjective) – relating to a dynasty (a family or line of rulers).
- **entitlement** (noun) – the belief that someone is inherently getting a right or privilege or special treatment.
- **spin a new story** (phrase) – to tell a lie.
- **adorn** (verb) – grace, beautify, enrich, decorate.
- **lineage** (noun) – ancestry/family, descent, background.
- **of sorts** (phrase) – of a somewhat unusual method.
- **anti-elite** (adjective) – relating to something against elite group (high society people; the group of most powerful people in a society).
- **aged** (adjective) – existed for a long time.

Market mayhem: on Sensex single-day fall

The global rout in equities amid the widening coronavirus outbreak portends more pain

Manic Monday saw India’s bellwether S&P BSE Sensex suffer its worst single-day fall in terms of points as the 30-stock gauge plunged 1,942 points, or 5.2%, to its lowest close in 52 weeks. While the proximate trigger for the headlong selling spree was the global market rout induced by an oil price plunge, there are clear indications that the underlying investor sentiment has turned bearish. From the S&P BSE 500 index, comprising the top 500 BSE-listed companies across all key industries, to the S&P BSE SmallCap index, representing the smallest listed firms, there was virtually no corner left untouched by the sell-off. While every Sensex member lost ground, with 22 retreating at least 3%, both the broader gauges accounting for a combined 1,200 companies saw about 93% each of their constituents posting declines. The breadth of the losses is one sure indicator that investors are looking to exit equities for now with whatever gains they can muster, or worse in a bid to cut their losses. And Monday’s losses, while dramatic, have only extended a slide that has over the past month seen the Sensex and BSE 500 lose about 13% each, and the mid-cap gauge drop 14%. Coinciding with this slide has been a 116% jump in volatility as measured by the National Stock Exchange’s India VIX index, another ominous sign that prices are unlikely to stabilise any time soon. Also, foreign institutional investors have turned net sellers of their Indian equity holdings in a big way this month, taking the cumulative net sales since February to □10,658 crore.

With the Indian economy still in search of fair winds and the global outlook for growth getting bleaker with each passing day as the widening coronavirus outbreak threatens to push the world into its worst downturn since the 2008 financial crisis, a sustained sell-off looms. To complicate matters, the proposed State Bank of India-led bailout of capital-starved Yes Bank may be a far tougher challenge than appeared at first flush. Among the hurdles is a legal challenge to the plan by holders of the troubled lender's Additional Tier-1 bonds. And the best intentions of the Centre and efforts by the RBI notwithstanding, any failure to expedite the resolution at Yes Bank runs the risk of undermining wider banking sector stability. To be sure, already there is talk of concerted central bank action among the leading western economies as well as likely fiscal measures to address the threat posed by COVID-19. The U.S. Federal Reserve last week made an emergency cut in its benchmark interest rate and President Trump is contemplating a raft of steps including a payroll tax cut. The RBI and the Centre too would ideally need to move in lockstep with measures to ensure adequate liquidity to help bolster sentiment at this time of market and economic fragility.

Meanings of Difficult Words :

- **mayhem** (noun) – disorder, turmoil, chaos, disturbance.
- **rout** (noun) – fiasco, failure; demolition/defeat.
- **amid** (preposition) – in the middle of, surrounded by; during.
- **widen** (verb) – spread, expand, enlarge, increase.
- **coronavirus** (CoV)(noun) – a large family of viruses that cause illness ranging from the common cold to more severe diseases. Common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death. (Courtesy: **WHO**)
- **outbreak** (noun) – sudden appearance/occurrence (of a disease); outburst, epidemic.
- **portend** (verb) – indicate, signal, foretell, augur.
- **bellwether** (noun) – a trendsetter; an indicator of future trends.
- **plunge** (verb) – fall/drop, plummet, tumble, nosedive suddenly & uncontrollably.
- **proximate** (adjective) – nearest, closest, next to, close.
- **headlong** (adjective) – hasty, careless, heedless.
- **spree** (noun) – a period of unrestrained/uncontrolled activity.
- **underlying** (adjective) – fundamental, basic, primary.
- **bearish** (adjective) – stupid, foolish, idiotic.
- **index** (noun) – sign, measure; guide, gauge, indication.
- **no corner left untouched** (phrase) – affecting all without any exception.
- **sell-off** (noun) – selling of something (commodity/share) which causes fall in price.
- **lose ground** (phrase) – lose one's advantage.
- **retreat** (verb) – (of a stock) decline in value.
- **constituent** (noun) – component, element, part.
- **breadth** (noun) – wide range, extent, scope; extensiveness.
- **muster** (verb) – gather, collect, summon up, bring together.
- **slide** (noun) – fall, drop, decline.
- **mid-cap** (noun) – a company with market capitalization between \$2 billion and \$10 billion. Large-cap is with a large market capitalization, more than \$10 billion and Small cap is with less than \$2 billion market capitalization.
- **volatility** (noun) – fluctuation, inconsistency, unpredictability.
- **ominous** (adjective) – threatening, menacing, unfavourable, unpromising.
- **any time soon** (phrase) – in the near future.

- **Equity holdings** (noun) – a quantity of shares (equities) held in a company by a particular shareholder. An amount of a particular type of investment owned by a person or organization.
- **in a big way** (phrase) – to a great extent; to a great degree.
- **cumulative** (adjective) – collective, aggregate, total.
- **fair wind** (noun) – it figuratively means a favorable situation. (fair wind generally means a favourable wind. i.e. one blowing in the desired direction of travel for the vessel (ship/boat)).
- **outlook** (noun) – prospects, expectations, likely improvement.
- **bleaker** comparative adjective of **bleak** (adjective) – unpromising, unfavourable, disadvantageous.
- **with each passing day** (phrase) – as each day passed; as time continues to pass, day by day.
- **downturn** (noun) – decline, setback, blow/upset (in economic activity).
- **sustained** (adjective) – continuous, constant, steady.
- **loom** (verb) – emerge, appear; be imminent, be impending, be close, be threatening.
- **bailout** (noun) – an act of providing financial help/support by the outside investors to a bank/institution which faces serious financial difficulty.
- **capital-starved** (adjective) – deprived of capital (investment by investors).
- **at first flush** (phrase) – be at the beginning of something (the beginning will always be exciting).
- **tier 1 bonds** (noun) – AT-1, short for Additional Tier-1 bonds, are a type of unsecured, perpetual bonds that banks issue to shore up their core capital base to meet the Basel-III norms. AT1 bonds offer investors a higher return because of the higher risk associated with them, including the possibility of being written down when a bank's equity base is under threat.
- **notwithstanding** (preposition) – in spite of, despite, regardless of that.
- **expedite** (verb) – speed up, accelerate, quicken.
- **run the risk** (phrase) – do something even if knowing something unpleasant/bad might happen.
- **undermine** (verb) – reduce, diminish, impede, hinder.
- **concerted** (adjective) – coordinated, collaborative, collective; strenuous, vigorous, active.
- **fiscal** (adjective) – financial, monetary, budgetary.
- **COVID-19** (noun) – coronavirus disease 2019.
- **Federal Reserve (US)** (noun) – the central banking system of the United States (The Reserve Bank of India (RBI) is India's central banking institution).
- **benchmark** (noun) – standard, guideline, basis.
- **benchmark interest rate** (noun) – the rate that is used as a standard or base to pay interest rate for deposits and loans.
- **contemplate** (verb) – consider, think about, reflect on.
- **raft** (noun) – a large amount of.
- **pay roll tax** (noun) – the payroll tax supports the country's (U.S) two biggest safety nets: Social Security and Medicare. Workers/employees will pay a certain amount of their wage and salary income into Social Security. And they will pay a small amount of all their earned income for Medicare. Their employers will match those amounts.
- **payroll tax cut** (noun) – exemption provided for employee & employer from the payroll tax, so that they need to pay no payroll tax.
- **lockstep** (noun) – in agreement with someone mindlessly and has exactly the same ideas/opinions that someone else has, often without questioning them in any way.
- **liquidity** (noun) – the availability of liquid assets; liquidity means liquid assets; cash; (liquid asset is an asset which can be easily sold/converted into cash without losing its value); a measure of activity (i.e. the ability to buy or sell easily) in a market.
- **bolster** (verb) – fortify, support, reinforce/buttruss.
- **fragility** (noun) – vulnerability, riskiness, unreliability.

Oil's rout: on fall in prices

The fall in prices may bring cheer, but India will have to deal with a global slowdown

Global markets, already teetering from the impact of the coronavirus, received a jolt over the weekend as Saudi Arabia cut oil prices and declared its intention to increase output well beyond what the oil market can absorb currently. The Saudi reaction followed the Organisation of the Petroleum Exporting Countries (OPEC) cartel and Russia, the largest non-OPEC producer, failing to reach an agreement to deepen existing production cuts to cope with the falling demand. Oil prices crashed overnight by almost a third to \$31 a barrel consequent to the kingdom slashing prices and announcing its intent to increase output. The oil market is now set to witness the rare conjunction of a demand and a supply shock which is bad news for prices. Fears of a fall in demand following the outbreak of COVID-19 had already depressed oil prices in the last couple of weeks. China, a major importer, has cut its imports by a third from Saudi Arabia, its biggest supplier. The possibility of the market being flooded with excess production from Saudi Arabia and Russia leading to a supply shock, therefore, comes at a most inopportune time. There is still a large downside to prices from current levels especially if Russia joins the battle with Saudi Arabia and decides to hike its own output. Analysts are already talking of a floor of \$20 a barrel.

While a fall in prices is good news for major consumers such as India and China which depend on imports for a major part of their oil needs, it may be bad news for the big oil companies and the smaller shale oil players who are highly leveraged. A collapse of these shale oil producers may set off defaults in the bond markets, setting off its own non-virtuous spiral starting with the U.S. markets. With stock and bond markets already in turmoil, the price war now set off in oil is only going to make the markets more volatile and murkier. For India though, the sharp dip in oil prices is good news, for now. This will reduce the oil import bill at a time when merchandise exports are likely to suffer due to the freeze in the developed economies. This will keep the current account deficit balanced. The fall in fuel prices will also drag down headline inflation giving the Reserve Bank of India elbow room to cut rates. But the oil price fall may be bad news for the Centre's disinvestment programme as the sale of Bharat Petroleum Corporation Limited (BPCL) could run into headwinds. Big oil companies, which are widely expected to bid for BPCL, may either shy away from it or their bids may be much lower than expected as the company's valuation may drop. In such an eventuality, it is quite possible that the government may step in to grab a slice of the windfall from falling prices, through higher excise duties to compensate for the loss from disinvestment proceeds. Any such decision is unlikely to go down well with India's consumer middle class.

Meanings of Difficult Words :

- **rout** (noun) – fiasco, failure; demolition/defeat.
- **slowdown** (noun) – economic decline, recession, slump/depression.
- **teeter** (verb) – stagger, fluctuate, oscillate.

- **coronavirus** (CoV)(noun) – a large family of viruses that cause illness ranging from the common cold to more severe diseases. common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death. (Courtesy: **WHO**)
- **jolt** (noun) – shock, surprise, bombshell (an unpleasant one).
- **cartel** (noun) – a group of manufacturers/businesses fixing a high price to avoid competition and to make more money.
- **deepen** (verb) – increase, intensify, strengthen.
- **crash** (verb) – (of a price) fall suddenly.
- **overnight** (adverb) – very quickly; instantly.
- **conjunction** (noun) – concurrence, coincidence, coexistence.
- **slash** (verb) – reduce, lower, cut (a price) greatly.
- **supply shock** (noun) – a sudden and unexpected change in a cost variable, such as oil prices, commodity prices & etc. An unexpected event that suddenly increases or decreases the supply of a commodity or service and as a result changes its price suddenly.
- **outbreak** (noun) – sudden appearance/occurrence (of a disease); outburst, epidemic.
- **COVID-19** (noun) – coronavirus disease 2019.
- **depress** (verb) – reduce, lower, decrease.
- **inopportune** (adjective) – inappropriate, inconvenient, unfavourable, disadvantageous.
- **downside** (noun) – drawback, disadvantage, stumbling block/negative.
- **floor** (noun) – a minimum level of prices.
- **shale** (noun) – shale is a fine-grained sedimentary rock in which natural gas is trapped underground. shale oil refers to hydrocarbons that are trapped in formations of shale rock.
- **shale industry** (noun) – an industry of mining and processing of oil shale.
- **leverage** (verb) – use, make use of, utilize (to maximum gain).
- **set off** (phrasal verb) – give rise to, cause, trigger, bring about.
- **default** (noun) – non-payment, failure to pay.
- **bond market** (noun) – debt market; the market where debt instruments (like bonds (government or corporate) and mortgages) are traded.
- **virtuous cycle/spiral** (noun) – when the economy is in a virtuous cycle, investment, productivity growth, job creation, demand and exports feed into (or beneficial/positive effect on) each other and enable animal spirits in the economy to thrive/grow. (animal spirits refers to the emotions and instincts that guide the behaviour of investors and consumers).
- **non-virtuous or vicious cycle/spiral** (noun) – when the economy is in a non-virtuous or vicious cycle, investment, productivity growth, job creation, demand and exports have an negative effect/aggravate/make worse each other and disable animal spirits in the economy to decline.
- **stock market** (noun) – equity market, share market, a stock exchange. It is where traders buy and sell shares of companies on a public exchange.
- **turmoil** (noun) – disorder, turbulence, confusion, trouble, chaos.
- **volatile** (adjective) – unpredictable, changeable, variable, inconstant.
- **murkier** comparative adjective of **murky** (adjective) – questionable, suspicious, dubious,/mysterious.
- **dip** (noun) – decrease, fall, drop, reduction.
- **merchandise** (noun) – goods, commodities, produce.
- **freeze** (noun) – suspension; hold, fixed (at a specific level).
- **current account deficit** (noun) – The amount by which money relating to trade, investment etc going out of a country is more than the amount coming in.
- **drag down** (phrasal verb) – bring to a lower level; decrease, get worse.

- **headline** inflation (noun) – it is a measure of the total inflation within an economy, including commodities such as food and energy prices (e.g., oil and gas).
- **core** inflation (noun) – it is a measure of the total inflation within an economy, excluding commodities such as food and energy prices (which change frequently).
- **elbow room** (noun) – scope, freedom, leeway, margin.
- **disinvestment** (noun) – the process of reducing capital investments.
- **run into** (phrasal verb) – experience, encounter, meet with.
- **headwinds** (noun) – (in business) situations or conditions that make growth harder/difficult. Whereas tailwinds describe a situation or condition that will move growth, revenues, or profits higher.
- **shy away from** (phrasal verb) – avoid, recoil, withdraw nervously (due to fear/surprise/pain).
- **eventuality** (noun) – event, incident, occurrence/outcome.
- **slice** (noun) – share, part, percentage, portion.
- **windfall** (noun) – a large amount of money received unexpectedly; jackpot, bonanza, unexpected gain.
- **unlikely** (adjective) – questionable, unconvincing; doubtful, unexpected.
- **go down well** (phrase) – to be well-received; to be well-accepted.

Phrasal Verb	Meaning	Example
Be onto	Pursue, be aware of someone's true nature.	He's being very careful because he thinks the police ARE ONTO him.
Be out	Be absent from a place.	She IS OUT on a visit for the day.
Be out of	Have no more left.	We're OUT OF coffee so I'll have to go and get some.
Be out to	Attempt.	She IS OUT TO get him sacked because she hates him.
Be snowed under	Have too much work.	We're completely SNOWED UNDER at work because it's the end of the tax year.
Be taken aback	Be shocked or surprised.	I WAS TAKEN ABACK when I saw him because he's lost all his hair.
Be taken with	Like something.	I WAS very TAKEN WITH the performance- it was superb.
Be up	Be out of bed.	She's not UP yet.
Be up	Have increased or risen.	The company's profits ARE UP by fifteen percent.
Be up	When the time for something finishes or expires.	Time's UP, please finish your drinks and leave.

☞ “FAITH AND PRAYER BOTH ARE INVISIBLE,
BUT THEY MAKE IMPOSSIBLE THINGS POSSIBLE.” ☞