



NEWS HIGHLIGHTS

IMPS rated world's best in real-time payment service

Customers use less than 50% of mobile banking features: FSS study

Google unveils integrated payments and jobs app

CCAvenue collaborates with Riyad Bank to make inroads into Saudi Arabia's digital payment space

Today's View

AI Revamping the Bond Market

US has \$8 trillion corporate bond market which makes it the largest in the world. Around 80% of all US corporate bond volume (based on dollar amount) is still traded telephonically, while 90% of all US equities volume (based on dollar amount) is traded electronically.

Bond market has many interesting AI applications. It's considered less liquid due to various reasons, for instance, in over the counter trading there are millions of bonds that traders can trade, voice trades, no direct announcement of the current prices of bonds etc.

Fintech startup **Nivaura** is investing in technology to automate debt sales. Dutch bank **ING Groep NV** is improving systems to help traders buy and sell bonds, while **AllianceBernstein Holding LP** advanced its virtual assistant to identify notes that people miss.

Predicting the price of the bond is one of the most common applications of the AI. Bid/ask or trade price of a bond prediction can be done using historical transactions, bid/ask data, spreads against the benchmark, new issue prices, etc. to predict the next price of the bond.

Similar to e-commerce websites product recommendations, AI can be used to recommend bonds a trader should buy in order to make maximum profit. Companies like **Synechron**, **ATB Financial** use collaborative filtering, the same

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Entrepreneurs working overtime to electrify auto industry but major bumps remain

It's a buzzy day at the IIT Madras campus in Chennai. Electric app-based three-wheelers are doubling up as intra-campus cabs. Several researchers are testing the batteries on board the vehicles.

Source – The Economic Times

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Date – 20th Sept 19

algorithm that **Netflix** uses to recommend the bonds that trader should invest in. It can work on two sides, that is, it can recommend which bonds to buy and which ones to sell. The algorithms used are, Collaborative filtering system and Hybrid recommendation system.

Companies like **AllianceBernstein** have developed a chatbot named Abbie which can assist the trader in many ways to make the trade and also recommend the bonds that are good to invest. It can help in managing the portfolio of the trader and in minimizing the risk involved in trading.

The use of AI and machine learning in financial services has potential to bring key benefits for financial stability and regulatory and systemic risk surveillance. The more efficient processing of information on credit risks and lower-cost customer interaction will contribute to a more efficient financial system.

Today's News

IMPS rated world's best in real-time payment service

India's Immediate Payment Service (IMPS) has been rated as the world's best real-time payment service in an analysis of 54 countries that have similar facilities.

"India received the only 5+ rating, and remains the global leader in real-time payments usage," according to the sixth annual Flavours of Fast report by FIS. IMPS is rated highest in FIS's 'Faster Payments Innovation Index', beating real-time payment services of countries such as the United States, China, Japan, the United Kingdom, Germany, and others, it said, adding that six countries, including Australia, Denmark, Poland, Romania, Singapore, and Sweden, received a 4+ rating for their real-time payments systems.

Source – BusinessLine

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Customers use less than 50% of mobile banking features: FSS study

Customers are using less than 50 per cent of the features available in the mobile banking apps, according to a report published by global payments technology company FSS (Financial Software and Systems). According to the study, 'FSS Digital Banking Trends - 2019', most banks offer 200 plus transaction sets and continue to expand through new use cases, technologies, and transaction types. However, customers use merely 50 per cent of available services.

Banks have introduced a wide array of services, but financial product marketers need to strengthen monetisation capabilities by moving away from utility-driven, one-size-fits-all approach and introduce segmented tailored offerings, the report noted.

Source – BusinessLine

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This News Letter has been prepared with the assistance of M T Rao and Vikas Madaan

Paytm to invest Rs 250 crore in travel business, targets 100 pc growth

Digital payments company Paytm on Thursday said it will invest Rs 250 crore in its travel business over the next six months.

This investment will be used to scale up the product and technology team, set up new business verticals and raise market share in the existing travel vertical. Paytm claims a customer base of more than 1.5 crore and an annual gross merchandise value of Rs 7,100 crore in its travel vertical business.

Source – Business Standard

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Syntizen raises Pre-Series A funding from Mastercard, ACPL

Syntizen Technologies, a Hyderabad-based digital identity solutions provider, has raised an undisclosed amount from global payments technology company Mastercard and biometric solutions provider ACPL in its Pre-Series A round. The company intends to use the funds to strengthen its product offerings and for expansion purposes.

"Mastercard's investment in Syntizen is part of the organisation's commitment to foster India's startup ecosystem and the fintech revolution, through both partnerships and capital infusion," said Rajeev Kumar, Senior Vice President, Market Development, South Asia at Mastercard.

Source – BusinessLine

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CCAvenue collaborates with Riyad Bank to make inroads into Saudi Arabia's digital payment space

In a move aimed at capitalizing the growing e-commerce sector in the Kingdom of Saudi Arabia, CCAvenue, the digital payment gateway platform of Infibeam Avenues collaborates with Riyad Bank to provide digital payments solution to eCommerce businesses in the country.

CCAvenue.com, which was acquired by Infibeam in 2017, is one of the four top digital payment gateway players in India and already has its presence in UAE for the last two years. Other top digital payment gateway players in India is BillDesk, PayU, and Razorpay.

Source – *The Economic Times*

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PhonePe's super-app platform 'Switch', a one stop solution for customers

PhonePe, a Flipkart Group company which started its journey in late 2015 as a startup focusing on digital payments, is all set for its next phase of journey by hosting other online commerce apps on its platform and driving traffic and facilitating transactions. The Bengaluru-based firm, starting today, unveiled a new in-app section called 'PhonePe Switch' which acts as a 'super app' integrating several other merchant apps and provide its 150 million odd users a single platform for their various online shopping needs.

"PhonePe Switch emphasises our efforts to build a partner app ecosystem which offers our users a very convenient way to access and engage with multiple apps," said Sameer Nigam, co-founder and CEO, PhonePe. "While start-ups are able to acquire high-quality users at low costs, larger partners get help in specific areas like driving non-cash payments, growing their business in select geographies etc.," he added.

Source – *Business Standard*

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Amazon's payment innovation: cold cash

Amazon's latest innovation in the online payment world is something called cash. The e-commerce giant said Wednesday it was rolling out a cash payment option for US customers that has already been used in 19 other countries. The "Amazon PayCode" option is in partnership with the payments firm Western Union.

Customers will henceforth be able to take their greenbacks to one of 15,000 Western Union locations to pay for their purchase without any added fees, Amazon said in a statement. "We're constantly innovating to improve the shopping experience on behalf of our customers, and are proud to expand Amazon PayCode to customers in the US," said Ben Volk, the company's head of payments.

Source – *The Economic Times*

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Google unveils integrated payments and jobs app

Google has initiated a host of measures aimed at strengthening its presence in the country, including an integrated payments and jobs app and the launching of an artificial intelligence (AI) research lab in Bengaluru.

Announcing these initiatives at its annual 'Google For India' event in Delhi on Thursday, the company said Google Pay will not be just a payments platform but also allow merchants to make their own customized experiences on the platform, allow users to add their credit and debit cards, and help people find entry-level jobs.

Source – *Mint*

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Eros Now ties up with Microsoft to develop OTT technology

Eros Now, the video on demand platform by Eros International Plc. has tied up with software giant Microsoft to develop an enhanced online video platform.

Eros Now is collaborating with Microsoft to use its cloud platform Azure to build new features including in app video search in 10 Indian languages and a personalized recommendation engine for viewers of Eros Now. It will be Microsoft's first video OTT customer to use Azure tools like Azure AI, Cloud Data Warehousing, and Azure Media Services.

Source – *The Economic Times*

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