



Market News

LIC IPO: The issue subscribed 1.45 times on Day 4 (May 7, 2022) as the issue will remain open for subscription on Saturday and Sunday. The government of India is aiming to garner Rs 21,000 crore at the upper end of the price band by liquidating 3.5 percent of its stake in the insurance behemoth. Of these, LIC mopped up Rs 5,630 crore from anchor investors on May 2 diluting about 59.3 million shares to 123 investors at Rs 949 apiece.

Reliance Industries Limited (RIL) on May 6 reported a 22.5 percent year-on-year growth in its consolidated net profit to Rs 16,203 crore for the quarter ended March, which was below analysts' expectations of Rs 17,167 crore.

The oil-to-telecom conglomerate's consolidated revenue from operations surged 36.8 percent year-on-year to Rs 2.1 lakh crore for the reported quarter, which met Street's estimate of Rs 2.1 lakh crore.

The company's board also recommended a dividend of Rs 8 per share for the financial year ended March 31, 2022.

Private power generation company Tata Power Company on May 6 reported a 31.4 percent year-on-year growth in consolidated profit at Rs 632 crore for the quarter ended March 2022, hit by impairment loss. The growth in topline, other income,

and operating performance supported bottomline.

Consolidated profit before exceptional items grew by 76 percent YoY to Rs 775 crore compared to the year-ago period, said the company in its BSE filing.

FMCG company Dabur India on May 5 reported a 22 percent year-on-year decline in consolidated profit to Rs 294 crore for the quarter ended March 2022, dented by higher input cost and impairment of goodwill of the Turkey arm.

The company made a consolidated profit of Rs 377.3 crore in corresponding period last fiscal.

Dabur had an exceptional loss of Rs 85 crore for the quarter on account of impairment of goodwill in respect of subsidiary Hobi Kozmetic in Turkey due to steep devaluation in Turkish currency over the past one year.

"Including this impairment, reported net profit for the fourth quarter of 2021-22 stood at Rs 294 crore. The high currency devaluation notwithstanding, Dabur's Turkey business reported a strong operational performance with a 47 percent growth in local currency during the quarter," said the company in its BSE filing.

Results & Corporate Action

Result Calendar	
Date	Company Name
07 May 2022	NAVINFLURO
09 May 2022	DALBHARAT,GNFC,SRF,PVR
10 May 2022	ASIANPAINT,GUJGASLTD,MRF, POLYCAB,CIPLA,IDEA,MFSL,MGL TORNTPOWER,
11 May 2022	PETRONET,ADANIPTS,PNB
12 May 2022	ABCAPITAL,LT,TATAMOTR,GSPL SIEMENS,HONAUT
13 May 2022	HAL,ALKEM,BANDHANBNK TECHM,ESCORT

 MARKET-HUB				
Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
BONUS	Vikram Thermo	Bonus Ratio 4:1	13-05-2022	12-05-2022
BONUS	BLS Internation	Bonus Ratio 1:1	17-05-2022	13-05-2022
SPLITS	BLACK BOX	OLD FV 10 NEW FV2	~	13-05-2022
DIVIDEND	Laurus Labs	Interim 60	11-05-2022	10-05-2022
DIVIDEND	Thyrocare Techn	Final 150	12-05-2022	11-05-2022
DIVIDEND	Aptech	Interim 50	12-05-2022	11-05-2022
DIVIDEND	HDFC Bank	Final 1550	13-05-2022	12-05-2022
DIVIDEND	Indian Card	Special 250	13-05-2022	12-05-2022



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 17132.85 in Downside 16340.90.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty upside 16900 is supply zone , down side 16200 is strong support if close below this level then next target 15700 possibility.

Bank Nifty in Upcoming week:-

Banknifty upside 35500 to 36200 is supply zone down side 32200 is strong support.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above / Below / Add HOLD	CMP as on 07.07.2022	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	POWERGRID (BUY)	CMP 238	238		221		260-275
2	TIMETECHNO(BUY)	CMP 101	101		91		125-135
3	NHPC (BUY)	CMP 33.75	33.75		31.50		40

Commodity Market

COPPER:- Investors can sell on rise with sl 796 down side target 745 possibility.



CRUDEOIL:- Investors can sell on rise with sl 8888 down side target 8100 possibility.



SILVER:- Investors can buy in deep around 61000 with stop loss 59500 up side target will be 64000 possibility.



GOLD:- Investors can sell on rise with stop loss 52700 down side target will be 50500 possibility.



Currency Market (Cash Levels)

USDINR:- Investors can buy in deep with stop loss 75.90 upside target will be 77.20 if close above this level then next target 77.80 to 78.20 possibility.



GBPINR: - Investors can sell on rise with stop loss 96.50 down side target will be 93.80 possibility.



EURINR :- Investors can sell on rise with stop loss 81.30 down side target will be 79.40 possibility.



JPYINR:- Investors can buy in deep around 58.60 with sl 58.00 upside target 60.40 possibility.



Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	76.00	76.50	76.93	77.20	77.80
GBPINR	93.50	94.00	94.94	95.50	96.00
EURINR	79.50	80.50	81.31	81.70	82.30
JPYINR	57.50	58.00	58.99	60.00	60.40

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.25
Three month Forward	0.49
Six month	1.29
One year	2.98

RBI reference Rates	
Currency	Rates
USD	76.74
GBP	94.79
Euro	80.71
100 Yen	58.75

THIS IS A MAKE OR BREAK MOMENT FOR INDIAN EQUITIES

Economies across the world have recently started seeing their growth recover from the pandemic. However, we are now grappling with record high inflation. Fanned by supply chain bottlenecks during the pandemic and exacerbated by geopolitical conflicts which followed, the rising costs of growth have since reached alarming levels globally.

India's tryst with inflation and RBI's stance so far

India had remained relatively insulated from inflationary pressures, but only until March 2022 when CPI inflation came in at 6.95% - well above the RBI's mandated range. Meanwhile, wholesale price inflation (WPI) has been rallying and as producers continue passing on their rising costs to consumers, it was only a matter of time before India's consumer inflation turned worrisome.

What changed now?

However, in an off-cycle move that took the markets by surprise, the RBI raised policy rates by 40 basis points yesterday. The repo rate has been hiked to 4.4% - reversing a rate-cut of the same degree made nearly two years ago at the beginning of the pandemic. CRR, SDF and MSF rates have also been raised. Interestingly, despite this hawkish move, the "accommodative stance" has been retained.

But it's not the hike itself, but the quantum and timing of the hike which spooked the markets. Several questions and concerns have popped up.

Have April's inflation numbers come in beyond RBI's comfort zone? Or did the fine print indicate that inflation is now showing signs of being driven by demand-pull rather than cost-push? The former would be a cause for concern, while the latter would be a positive development as it would mean that the rate hike would be effective in controlling inflation without impacting growth significantly. Did the timing have anything to do with US the Fed's policy meet? Synchronicity with the much-awaited mega IPO of LIC also aroused curiosity.

Stock markets got spooked

Quite understandably, stock markets lost their bearings after the announcement. Nifty corrected by almost 400 points in a single day after losing 900 points during the

month. In a single day, investors lost more than Rs.6 lakh crore. Heavyweight stocks tanked the most. All sectors, barring a few Power stocks, succumbed to the selling pressure.

The trend since the beginning of FY21 has been that of FIIs pulling out, with DIIs buying at dips, thereby keeping the broader market range-bound. However, Wednesday's surprise move by the RBI kept DIIs at the shore while FII selloff continued. As a result, Nifty tanked significantly.

What does the future hold?

In the hours following RBI's announcement, the US Fed raised rates by 50 bps and indicated against hikes of 75 bps or more at subsequent meetings, while remaining optimistic about their ability to control inflation without affecting growth. In response, US yields dropped while RBI's surprise rate hike raised yields in India. Consequently, the spread between Indian and US yields has increased, which makes Indian investments more attractive for foreign investors. This is of course, subject to India's growth standing resilient to domestic rate hikes.

FIIs can be expected to find their way back to Indian equities and put a pause to the ongoing selloff. Having said that, FIIs would also want to first ascertain the impact of the rate hike on India's growth. Once this scenario starts playing out, investors should load up on FII favourites.

So, going ahead, growth will remain a key monitorable as higher borrowing and deposit rates impact demand. Investors also need to keep a watchful eye out for the upcoming inflation figures as they may be expected to come in either too high, or optimistically, point towards demand-pull inflation.

It is important to note that if any of the pieces do not fall in place – demand is significantly impacted, or inflation figures come in too high, or RBI springs any further surprises, or geopolitical developments take a turn for the worse, equity markets may correct further. Needless to say, this is a make-or-break moment for Indian equities, and the next couple of months will play a significant role in determining whether we are at the cusp of the next leg of a rally, or in the middle of a long-term correction.

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