MARKET-HUB®
NEWS LETTER

24th November 2018 Issue - 324

MARKET NEWS & EVENTS

Sensex ends 218 points lower, Nifty below 10,550; midcaps see a big fall

At the close of market hours, the Sensex was down 218.78 points or 0.62% at 34981.02, while the Nifty was lower by 73.20 points or 0.69% at 10526.80. The market breadth was negative as 1093 shares advanced, against a decline of 1489 shares, while 153 shares were unchanged.

Indian rupee closes near 3-month high, up 76 paise to 70.69 against US dollar

The rupee closed at 70.69 to the dollar, the highest level since August 29, 2018, up 76 paise compared to previous day's closing levels.It touched an intraday high of 70.68 and low of 71.19 a dollar.

DHFL Q2 profit jumps 53% to Rs 439 cr despite higher provisions

Dewan Housing Finance Corporation has reported a massive 52.55 percent year-on-year growth in second quarter profit to Rs 438.7 crore despite sharp rise in provisions and liquidity crisis.

The housing finance company had posted profit at Rs 287.8 crore in same period last year.

Tyre makers Q2 FY19 review: Higher raw material cost weighs on profitability

Tyre companies have posted mixed set of numbers in the second quarter of fiscal year 2019 (FY19). Strong volume growth helped the companies report healthy topline growth, but rising raw material (RM) prices mounted pressure on their profitability.

Raw material prices continue to inch up and remain a big concern. Most companies, however, have started passing on the rise in input cost to their customers by increasing prices of their products.

Concerns over demand from original equipment manufacturers (OEMs) and margin pressure have kept sentiment subdued for tyre companies. This soft patch, however, will provide a good opportunity to buy into the fundamentally-strong business for the long-term.

Result Calendar

Date	Company Name
26th November, 2018	HUDCO
27th November, 2018	REL CAPITAL

Institutional Activity- November 2018 (Daily Cash Market) Rs. Crores

Date	FIIs	DIIs
19.11.2018	1,103.36	-310.26
20.11.2018	-753.17	-44.06
21.11.2018	-1,652.04	606.73
22.11.2018	446.24	49.68
Net Buying/Selling	-855.61	302.09

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Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
Bonus	OFS Technologie	6:10	01-12-2018	29-11-2018
Splits	Mangal Credit	New FV 10	26-11-2018	-
	Britannia	New FV 2	29-11-2018	-
Rights	Emerald Leasing	Rights Ratio (127:100)	30-11-2018	29-11-2018
Dividend	Sadbhav Infra	Interim (2%)	27-11-2018	26-11-2018
	Rain Industries	Interim (50%)	27-11-2018	26-11-2018
	Kaveri Seed	Interim (150%)	27-11-2018	26-11-2018
	Polyplex Corp	Interim (100%)	28-11-2018	27-11-2018
	Gallantt Ispat	Interim (5%)	28-11-2018	27-11-2018
	Sandur Manganes	Interim (35%)	30-11-2018	29-11-2018
	Jamna Auto	Interim (50%)	30-11-2018	29-11-2018
	Indag Rubber	Interim (45%)	30-11-2018	29-11-2018

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Nifty Spot In Last Week :-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 10,774.70 and in Downside 10,512.55.

Nifty WEEKLY CHART

BANKNIFTY WEEKLY CHART

Nifty Spot In Upcoming Week :-

There is strong Resistance is 10,888 sell on rise with sl 10,888 Target will be 10,400 If close below this level 10,400 then next target will be 10,200 to 10,065 possibilities.

Bank Nifty in Upcoming week:

Dowen side 25,600 support If close below 25,600 then down side Target 25,300 to 24,555 upper side 26800 is very strong resistance sell on rise with sl 26,800.

Commodity Market

COPPER WEEKLY CHART

CRUDE OILWEEKLY CHART

SILVER WEEKLY CHART

COPPER:- There is very strong support 416 and very strong resistance is 437 if cross 437 then next upside target will be 453 and down side break 416 level then next down side target 403.

CRUDE OIL :- buy in dips around 3400 with sl 3240 upside target will be 3800 to 4070.

SILVER:- Sell on rise with sl 38600 down side target will be 32,800 if cross 36,800 then buy with sl 36,000 upside target 38,500.

GOLD WEEKLY CHART

GOLD:- buy in dips around 29,800 to 29,900 with the Stop loss of 29,555 for target will be 30,500 to 31,500.

NATURALGAS WEEKLY CHART

NATURALGAS:- Buy in dips with the stop loss of 280, target will be 397 possibilities .

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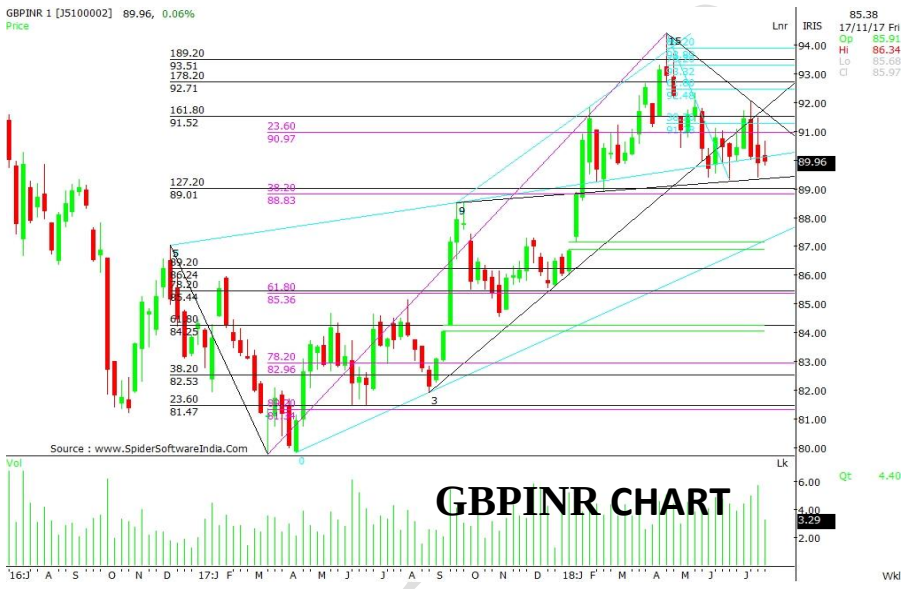
Serial No.	Stock Name Cash segment	Above Below Add HOLD	CMP as on 24.11.2018	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	COLPAL(BUY)	ABOVE1180	1148.40		1143		1300
2	ORIENTBANK(BUY)	ABOVE94	87		83.90		120
3	ASIANPAINT(SELL)	BELOW1304	1314			1344	1245/1177
4	PIDILITIND(SELL)	AROUND1180	1158			1205	1077/1050
5	BIOCON(SELL)	BELOW610	659			632	547

Currency Corner

USDINR: : Investors can Sell on rise stop loss of 72.15 down side target will be 70.37 to 69.55,Buy in dip with sl 69.50 upside target will be 71.50 to 72.00.

GBPINR: : Investors can buy in dip with the stop loss of 89.00 and upside target will be 90.40 to 92.00.



EURINR: : Investors can buy in dip with the stop loss of 79.00 and upside target will be 81.70 to 82.40.

JPYINR: Investors can buy in dip with the stop loss of 61.20 and upside target will be 63.50.

Currency	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	69.50	70.37	70.81	71.50	72.11
GBPINR	89.50	90.40	91.16	95.69	96.32
EURINR	79.50	80.50	80.91	82.00	82.88
JPYINR	61.98	62.48	62.72	63.63	64.35

Factors affecting Currency Rates:

The most talked about event of RBI board meeting went off without major negative surprise, was the most positive news for currency market.
Indian rupee continued to gain strength and touched almost 3 months high of Rs. 70.60 against US Dollar.
In the past 2 months rupee gained 220 paise.
The most important reason was the reversal of trend in the crude oil price. just a while ago the experts were predicting the crude oil price to go beyond USD 100 mark, is now down to around USD 61.5 per barrel. The US has softened its stand on the sanction against Iran as well as the fear that the world economic activity is receding which will lower the oil demand were the major reason for falling oil price.
The FPI funds flow which were continuously negative for quite some time, seems to be reversing now.
All these factors are supporting the rupee.
However, till the time of upcoming OPEC meet, and the result of state elections in India, there would be volatility in the equity and commodity market and hence in the currency, market too.

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	**Premium**
One month Forward	0.23
Three month Forward	0.44
Six month	1.25
One year	2.72

RBI reference Rates	
Currency	**Rates**
USD	71.18
GBP	91.04
Euro	81.19
100 Yen	62.97

Charts Showing trends of Dollar Index v/s USD/INR & USD/EUR

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What to do during panics like these?

Considering the ferocity of market fall, especially small and mid cap stocks; it's easy for investors to panic; however you can combat the same and befriend volatility by considering the following points:

It's the very nature of the markets to rise and fall. There have been such falls in the past and will happen in the future as well and every time the markets have recovered and gone on to record new highs. The market correction of 2008 was one of the worst; however all those who remained invested and picked up good stocks during the correction are sitting on humongous gains since then.

Market movements are like pendulum; keep swinging between extremes. In 2017 and early 2018, the small and mid caps were approaching higher extreme and now the small and mid caps are approaching lower extreme. While one cannot predict market tops or bottoms, one can prepare himself and sow the seeds for future gains.

Small cap index is already down 30% and the mid cap index is down 20-25% and therefore in our view and looking at the past instances, the downside (if at all) might be limited at another 10-20%. Barring 2008 when the small cap index corrected by more than 70%, most of the corrections have been of the order of 20-50%.

Ask yourself whether you are in the market for next 6 months or next 5 years; whether you have bought on leverage or through regular savings. If the answer to both the questions is second option, there's not much to worry and one should rather go on accumulating in phases as your investments will fetch more units of the same stocks.

One psychological way of dealing with corrections is to assume your portfolio value to be already lower by 20-25%. Normally, when the major corrections happen, one tends to get too fearful and delays gradual accumulation of stocks; however when you have already assumed your portfolio value to be lower and when the portfolio does come down to those levels you don't get as much scared as you would have been otherwise and accept the fact that such corrections are part of market cycles.

Avoid looking at stock prices continuously. Once you have decided what to purchase, make the investments and close the terminal. By continuously watching you cannot obviously hold the stock prices from falling further; however you can avoid panicking and maintain rationality.

Lastly, you can't go much wrong if you don't diverge much from the basics like:

1. Buying stocks where you can understand the business and have decent idea about the medium to long term trajectory
2. Management/promoter's interests directly aligned with the minority shareholders
3. Decent past track record in terms of operating performance, capital allocation, balance sheet management, cash flows, etc
4. Last but not the least, reasonable valuations

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