MARKET-HUB
NEWS LETTER
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Market News

The bulls remained steady on Dalal Street for the second consecutive session on January 10, powering the Nifty to a new high, but closed off day's high.

The Indian rupee is trading near day's high level at 71.06 per dollar, up 15 paise from previous close, with profit booking in the domestic equity market dragged Nifty from record high.It opened flat at 71.21 per dollar against previous close 71.21.

Cholamandalam Investment and Finance Company Ltd (CIFCL) on January 10 said it would raise Rs 400 crore tier-II debt from the UK-based CDC Group Plc through unsecured, subordinated, rupee denominated masala bonds.

Infosys, the country's second largest software services company, has reported an 11 percent sequential growth in the third quarter (October-December) consolidated profit, with upward revision in full year revenue guidance.

Yes Bank share price declined 7 percent intraday on January 10 following reports of resignation on the company's independent director.

Aarti Industries share price slipped more than 4 percent intraday on January 10 after the income tax department carried out searches at the company's premises.

Share price of **Sun TV** Network spiked over 6 percent intraday on January 10 as Nomura maintained buy rating on the stock with target at Rs 689 per share. However, the firm is of the view that advertisement industry is likely to see sharp slowdown in the third quarter adding that subscription growth remains healthy but risks due to TRAI order.

GTPL Hathway share price rose 11 percent in the early trade on January 10 after the company posted strong numbers for the quarter ended December 2019.

Markets regulator SEBI on January 9 came out with guidelines for entities for operating as investment advisers in International Financial Services Centre (IFSC), under which such advisers need to have a net worth of at least $1.5 million. The decision has been taken following the representations received from various stakeholders, the Securities and Exchange Board of India (SEBI) said in a circular.

Result Calendar	
Date	**Company Name**
14th Jan 2020	INDUSINDBK, MINDTREE, WIPRO,
17th Jan 2020	HCLTECH, RELIANCE, TCS, LTTS, L&TFH
18th Jan 2020	HDFCBANK

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Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
Bonus	SSPN Finance	Bonus Ratio(1:1)	17-01-2020	16-01-2020
Splits	SIS	NEW FV(5)	15-01-2020	--

Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 12,311.20 and in Downside 11,929.60.

NIFTY WEEKLY CHART

BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

There is strong Resistance is 12,350 if not close above this level then we can seen selling pressure continue if break 12,210 level then down side 12,000 possibility.

Bank Nifty in Upcoming week:-

There is strong Resistance is 32,777 if not close above this level then we can seen selling pressure continue if break 31,950 level then down side target 31,000 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above Below Add HOLD	CMP as on 11.01.2019	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	CDSL(BUY)	AROUND253	265		244		300
2	TATAMOTOR(BUY)	HOLD163	196	180			215
3	NIFTY(SELL)	BELOW12210	12256			12315	12000

Commodity Market

COPPER:- Buy in deep with stop loss 430 level then upside target will be 450 possibility, Sell on rise with stop loss of 459.

CRUDEOIL: - Buy in deep with stop loss 4,000 upside target will be 4,300 to 4,400 possibilities.

SILVER: - Buy in deep around 45,800 levels with stop loss 45,100 upside target will be 47,300 possibilities.

GOLD: - Buy in deep with stop loss 38,750 upside target will be 40,400 possibilities.

Currency Market (Future Levels)

USDINR: - Investors can buy on deep with stop loss of 70.50 upside target will be 71.50 possibilities; sell on rise with sl 71.60 target will be 70.60 possibility.

GBPINR: - Investors can buy in deep with stop loss of 92.30 upside target will be 93.50 possibility, Investors can sell on rise with stop loss of 93.70 down side target will be 92.50 possibility.

EURINR: Investors can buy in deep with stop loss of 78.60 day closing upside target will be 79.40 possibilities.

JPYINR: - Investors can sell on rise with stop loss of 65.70 down side target will be 64.00 possibilities.

Currency FUT LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	70.65	70.93	71.03	71.26	71.50
GBPINR	93.55	93.20	92.84	92.40	92.00
EURINR	78.50	78.75	78.88	79.20	79.70
JPYINR	63.70	64.35	64.87	65.50	65.65

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.20
Three month Forward	0.40
Six month	1.19
One year	2.62

RBI reference Rates	
Currency	Rates
USD	71.42
GBP	93.65
Euro	79.37
100 Yen	65.36

Uday Kotak's explanation of India's economic slowdown is a must read for everyone

Uday Kotak, one of the most successful bankers of the country and Managing Director of Kotak Mahindra Bank, has explained the reason behind the ongoing economic slowdown and its nature in an interview with Economic Times. According to him, Indian businesses are undergoing the cleansing and purging process, and this is the reason behind the ongoing slowdown.

On the questions of are we going through a cyclical slowdown or a structural slowdown, Kotak replied, "We got to be clear. We are going through a cleansing and a purging process. Business in India happened in a particular manner for a long time and the rules of the game were different. The rules of the game have changed. Business, in general, has taken a little longer time to recognise the new rules of the game and it is moving towards the survival of the fittest."

Therefore, Kotak has clearly hinted towards a cyclical slowdown, which will be over as soon as the businesses adjust to the new rules of the game. If we analyze the reasons behind the economic slowdown, there are evidences to vindicate Uday Kotak's assessment.

So far, the political economy of the country was operating under the framework of Nehruvian Socialism, where even the private businesses could not exit from the market, as the state gave a bailout package to the companies in the name of protection of workers.

Now, the Modi government is trying to a rule-based capitalist economy, where only the firms which are able to make the profit will survive and the loss-making ones will exit from the market.

The process of formalization and the war on black money started in the first term of the Modi government. Demonetization coupled with GST started the process of formalization. The informal sector had to suffer the double whammy- demonetization and GST; demonetization destroyed the funding network to the informal sector while the GST forced them to bear the compliance cost.

Many firms in the informal sector closed down and the demand shifted to the formal sector. Therefore, the sales of the formal sector firms registered growth for few quarters after demonetization and GST. But, as the firms in the informal sector closed down, leading to massive job loss, the demand slumped in the last few quarters.

The job security among the common people forced them to not spend, which eventually resulted in a consumption slump. Given the fact consumption accounts for more than two-thirds of India's GDP; the GDP growth reached to decade low of 4.5 per cent.

The sector which suffered most from the demonetization and GST is the manufacturing. The slowdown in manufacturing had resulted in negative **Index of Industrial Production** (IIP) growth in the last three quarters.

The corporate leaders at home and around the world have praised Modi government for economic and social reforms. The industry veterans like Ratan Tata, Anand Mahindra and Uday Kotak have showered praises for the Modi government.

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