



Market News

Nifty begins June series higher, ends above 9,550; Sensex up 223 pts

The rupee appreciated 14 paise to provisionally close at 75.62 against the US dollar on Friday as foreign fund inflows and weak American currency boosted investor confidence.

Shares of Sun Pharmaceutical Industries rose 5 percent intraday on May 29 after receiving approval from the Indian drug regulator for clinical trial of its drug on COVID-19 patients.

IT major Wipro share price jumped 5 percent intraday on May 29 after the company appointed Thierry Delaporte as CEO & Managing Director of the company.

Reliance Industries Rights Entitlement (RE) shares ended at a premium over the intrinsic value on May 29, the last day of trading for RIL RE.

Vodafone Idea share price declined 20 percent from the day high level after company clarified on the media report stating Google eyeing stake in

the company.

KPIT Technologies share price jumped 5 percent upper circuit in the morning trade on May 29 after CLS Investments LLC had bought 19,99,998 shares at Rs 46.91 per share as per data available on the NSE.

NIIT Technologies has approved buyback of 19,56,290 fully paid up equity shares of face value Rs 10 each representing up to 3.13 percent of the total number of equity shares.

The Reserve Bank on Thursday said it has imposed a penalty of Rs 5 crore on state-owned Bank of India for non-compliance with certain provisions, including those related with NPA.

Ujjivan Financial Services share price surged over 11 percent intraday on May 28 after the company's net profit rose 48.41 percent to Rs 64.04 crore in the quarter ended March 2020 as against Rs 43.15 crore during the previous quarter ended March 2019.

Result Calendar

Date	Company
02 Jun 2020	BRITANNIA, MOTHERSUMI, INDIGO
03 Jun 2020	CHOLAFIN, AUROPHARMA, BPCL
04 Jun 2020	SRF
05 Jun 2020	SBIN, LT



Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
Dividend	Colgate	Interim (1600:00%)	02-06-2020	01-06-2020
	TCS	Interim (600:00%)	04-06-2020	03-06-2020
	Kewal Kiran	Interim (60:00%)	05-06-2020	04-06-2020
	DIC India	Final (45.00%)	05-06-2020	04-06-2020

Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 9598.85 and in Downside 8996.65



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

There is strong support is 8950 if break this level then we will see 8800 level upside 9700 is strong resistance if close above 2 day then upside target 10000 possibility.

Bank Nifty in Upcoming week:-

There is strong support is 17000 if not close below this level then we will see buy on deep upside target 20000 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above Below Add HOLD	CMP as on 30.05.2020	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	BHARTIARTL(BUY)	HOLD563	552		535		600/620
2	SONATSOFTW(BUY)	HOLD190	203	193			220/240

Commodity Market

COPPER(Jun):~ Buy in deep with stop loss 400 upside target will be 430 possibility.



CRUDEOIL: - There is strong support is 2050 buying in deep this sl upside target 2400 to 2900 possibility.

SILVER: - There is strong support is 45500 if not close below this level then we will see buy in deep upside target 49,000 to 56,000 possibility.



GOLD: - There is strong resistance is 47400 if not cross this level then we will see sell on rise down side target 45200 possibility.



Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.29
Three month Forward	0.42
Six month	1.22
One year	2.68

RBI reference Rates	
Currency	Rates
USD	75.75
GBP	92.94
Euro	83.48
100 Yen	70.25

Investing Through Crisis:- A handbook from Marcellus Investment Managers.

Friends, in continuation to the previous week's article, where in initiated to cover the book published by Saurabh Mukherjea's organisation 'Marcellus Investment Managers', we will see an important aspect narrated in that book. The book is talking about the 'consistent compounders'. We will see some of the characters of those compounders. We hope, it will be an insightful and interesting reading for you.

'India's 'Consistent Compounders' are unique globally'. India is blessed with several companies that have the unique combination of market dominance and return ratios far in excess of cost of capital. The resulting free cash generation enables these companies to reinvest back into their businesses to keep strengthening their dominance and return ratios. This cycle gives an opportunity to invest in these businesses and see your money compound at a steady rate over long periods of time.

Example of Indian compounder:

Company	Avg RoE FY98-08	Avg RoE FY09-19
Asian Paints	32%	36%
ITC	30%	30%
Nestle India	65%	68%
Pidilite	25%	27%
Page Industries	38%	51%
HDFC Bank	21%	19%
Median	31%	33%
Cost of Equity	15%	15%

Source: Marcellus Investment Managers, Companies, Ace Equity

What do Consistent Compounders do differently during a crisis?

A look at non-financial companies in the ongoing Covid-19 crisis The Consistent Compounder companies sell products and services which are small ticket, day-to-day essentials consumed by Indian middle-class households. Unlike spends on tourism / entertainment / leisure / luxury categories, demand for products and services of our portfolio companies is highly utility oriented and hence cannot be cancelled easily. For instance: a) you cannot defer the purchase of packaged foods like baby milk, Covid tests, essential medicines etc; b) you can delay by few weeks, the purchase of innerwear, footwear, diagnostic tests, etc; and c) you can delay by few months, the repainting or furniture repair in your home. Moreover, no matter how our lifestyle changes after such a crisis, habits and consumption patterns of these products are not likely to change or get substituted in the foreseeable future.

So, what do Consistent Compounders do differently?

- **Support offered to channel partners:** Addressing the concerns of and managing the interests of the network of distributors and other partners in the supply chain in mind is a common trait among Consistent Compounders. For example, during a crisis like demonetization or the ongoing Covid crisis, Page extends an extra 60 days of credit to distributors. Such support from Page helps strengthen the firm's relationship with their channel over the longer term". What is so unique about this? Page's competitive advantages have allowed it to build a strong balance sheet, which can support a short-to-medium term pressure on working capital due to an extended credit period. Most of its competitors cannot as their RoCEs remain close to their CoC and hence restrict the business' ability to generate sufficient free cash to build a resilient balance sheet. Another such example is of Dr. Lal Pathlabs, where the firm helps their franchisees by trying to renegotiate downwards rentals for collection centers' laboratories.
- **Potential benefits of in-house labour force:** Footwear and innerwear are the two most labor-intensive manufacturing industries. Relax and Page not only do their manufacturing in-house (no outsourced manufacturing), but they do so with a full-time permanent workforce (no contract labor). On a normal day, this helps these companies maintain quality of their products, but in crisis it makes it easier for them resume normalcy in their manufacturing setups much sooner than that of their competitors, who rely on contract labor and can take time in mobilizing the required workforce.

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Client should read the Risk Disclosure Document (RDD) & Do's and Don'ts issued by SEBI & relevant exchanges before investing.