



Market News

The S&P BSE Midcap index rose 1.4 percent and the S&P BSE Smallcap index that was up 0.78 percent. The Indian stock market ended marginally higher on August 7, with the Sensex gaining 15.12 points or 0.04 percent, at 38,040.57 and the Nifty adding 13.80 points or 0.12 percent, at 11,214. Asian Paints, Bajaj Finance and Bajaj Finserv were the top Nifty gainers, while Titan Company, HCL Tech and Infosys were among the worst index performers of the day.

Cipla reported a 26.6 percent year-on-year growth in its Q1 FY21 consolidated profit at Rs 566 crore, backed by strong performance by India, emerging markets and Europe geographies and robust operating margin. Revenue from operations grew 9 percent to Rs 4,346.2 crore. India business showed a 10 percent YoY growth at Rs 1,608 crore. South Africa, Sub-Saharan Africa and Cipla Global Access (SAGA) business grew 10 percent to Rs 763 crore.

Emerging markets registered a 64 percent jump in business at Rs 457 crore and Europe showed a 19 percent rise to Rs 240 crore. M&M Q1 profit falls 97% to Rs 68 crore as lockdown hits volumes. The company sold 64,140 tractors in June quarter, which is 22 percent compared to 82,013 tractors sold in the corresponding period the previous year.

The MPC kept repo rates unchanged at 4 percent, reverse repo rate

unchanged at 3.35 percent while maintaining an accommodative stance.

Pidilite Industries shares climb 2% despite the company reporting a 95% fall in Q1 profit. The company said Q1 performance was significantly impacted by continued lockdowns due to the coronavirus pandemic.

Real estate firm DLF share price rose over 1 percent in early trade on August 7 even after the company reported a loss in the quarter ended June 2020.

On August 5, the company reported a consolidated net loss of Rs 70.65 crore against a profit of Rs 414.72 crore in the year-ago period. The company's revenue

from operations fell by percent YoY to Rs 548.63 crore against Rs 1,331.19 crore.

HPCL share price gains after Q1 profit jumps to Rs 2,814 crore

At Rs 37,721 crore, revenue from operations for the June quarter fell by 43 percent compared to Rs 66,154.9 crore in the March quarter.

Adani Electricity Mumbai offloads 15 crore Yes Bank shares, GMO Fund sells 2.7% stake in Gayatri Projects. Abu Dhabi Investment Authority sold 39,537 shares in Aarti Surfactants, the demerged entity of Aarti Industries, at Rs 270.5 per share on the NSE.

Result Calendar	
Date	Company Name
08 Aug 2020	DIVISLAB
10 Aug 2020	EQUITAS,POWERGRID, BANKBARODA,UJJIVAN SHREECEM
11 Aug 2020	TITAN,ADANI PORTS,BOSCH LTD MOTHERSUMI
12 Aug 2020	TATAPOWER,NCC,ASHOKLEY
13 Aug 2020	GRASIM,PFC,BPCL,EICHERMOT HEROMOTOCO,GAIL
14 Aug 2020	BERGEPAIN,HINDALCO,UBL, VOLTAS,MRF,GLENMARK,NTPC



Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
Dividend	Vindhya Telelin	Final (100.00%)	~	10-08-2020
	Universal Cable	Final (20.00%)	~	10-08-2020
	Honeywell Autom	Final (750.00%)	11-08-2020	10-08-2020
	Alkem Lab	Final (150.00%)	11-08-2020	10-08-2020
	Ashiana Housing	Final (15.00%)	~	10-08-2020
	Nucleus Softwar	Interim (30.00%)	12-08-2020	11-08-2020
	Agro Tech Foods	Final (30.00%)	~	11-08-2020
	TTK Prestige	Final (200.00%)	~	13-08-2020
	NTPC	Final (26.50.00%)	14-08-2020	13-08-2020
	Maruti Suzuki	Final (1200.00%)	~	13-08-2020
Escorts	Interim (25.00%)	~	13-08-2020	
	Dabur India	Final (160.00%)		13-08-2020
	Bajaj Steel	Final (40.00%)	~	13-08-2020
	Hawkins Cooker	Interim (800.00%)	17-08-2020	14-08-2020
	Century	Final (30.00%)	~	14-08-2020
Bonus	Trident Texofab	Bonus Ratio (14:10)	12-08-2020	11-08-2020
Splits	Oswal Overseas	New FV(5)	~	13-08-2020



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 11256.80 and in Downside 10882.25.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

There is strong support is 10850 if not break this level then we will see buy in deep upside 11400 is strong resistance if not close above this level then profit booking possibility this level.

Bank Nifty in Upcoming week:-

There is strong support is 20800 if not close below this level then we will see buy in deep upside 22200 is big resistance if close above 22200 the up side target 22700 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above / Below / Add HOLD	CMP as on 08.08.2020	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	CANBK(BUY)	HOLD99	101.90		90		125/135
2	AJANTPHARM(BUY)	AROUND1550	1693		1435		1850

Commodity Market

COPPER: ~ Buy in deep with stop loss 489 upside target will be 531 possibility.



CRUDEOIL: - There is strong resistance is 3180 selling on rise this sl down side target 2900 to 2800 possibility.



SILVER: - There is strong support is 65000 buy in deep this sl upside target 80000 if close above 80000 then 90000 possibility.



GOLD:- There is strong support is 54400 buy in deep this sl upside target 56000 if close above this level then 58000 possibility.



Currency Market (Future Levels)

USDINR: - Investors can buy in deep with stop loss 74.74 upside target will be 75.40 to 75.67 possibility, Investors can sell on rise with stop loss 75.80 down side target will be 75.00 to 74.80 possibility.



GBPINR: - Investors can buy in deep with stop loss 97.00 upside target will be 99.00 to 100.00 possibility.

EURINR: - Investors can buy in deep with stop loss 86.90 upside target will be 89.40 to 92.50 possibility.



JPYINR: - Investors can buy in deep with stop loss 69.60 upside target will be 72.69 possibility.

Currency FUT LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	74.00	74.74	75.13	75.42	75.67
GBPINR	97.50	97.99	98.23	99.00	100.00
EURINR	87.20	88.50	88.76	89.02	89.30
JPYINR	70.22	70.77	71.12	71.40	72.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.21
Three month Forward	0.34
Six month	1.16
One year	2.63

RBI reference Rates	
Currency	Rates
USD	74.86
GBP	98.54
Euro	89.07
100 Yen	71.00

About Marcellus Little Champ Portfolio:

Quite often we study the portfolio of many Mutual Funds Schemes. Similarly, we will study the portfolio of Marcellus Small Cap Funds. This time, we will see their portfolio and study only one aspect of it. In next article, we will study the other aspects of their portfolio companies.

Security	Sector	%Assets	Value ₹
CASH	Cash and Equivalent	17.25%	866,855
V-MART RETAIL LTD	Miscellaneous	10.17%	511,110
ALKYL AMINES CHEMICALS LTD	SPECIALTY CHEMICALS	7.96%	400,235
GARWARE TECHNICAL FIBRES LTD	Textile Products	7.77%	390,456
GMM PFAUDLER LTD	INDUSTRIAL MACHINERY	7.74%	389,244
DCB BANK LTD	FINANCIAL SERVICES	7.12%	357,709
SUPRAJIT ENGINEERING LTD	Auto Ancillaries	6.87%	345,192
LA OPALA RG LTD	Miscellaneous	6.08%	305,436
MAS FINANCIAL SERVICES LTD	FINANCE (INCLUDING NBFCs)	5.94%	298,547
LUMAX INDUSTRIES LTD	Auto Ancillaries	5.11%	256,934
AMRUTANJAN HEALTH CARE LTD	PHARMACEUTICALS	3.61%	181,498
MUSIC BROADCAST LTD	BROADCASTING & CABLE TV	3.45%	173,519
ULTRAMARINE and PIGMENTS LTD	SPECIALTY CHEMICALS	2.65%	133,394
PPAP AUTOMOTIVE LTD	Auto Ancillaries	2.65%	133,130
STERLING TOOLS LTD	Fastners	2.54%	127,500
MOLD-TEK PACKAGING LTD	CONTAINERS & PACKAGING	1.57%	78,888
GALAXY SURFACTANTS LTD	SPECIALTY CHEMICALS	1.52%	76,424

We have been advocating buying clean & dominant franchises with high RoCEs (Return on capital employed stocks) & high reinvestment rates.” This is their one of the key criteria for selecting the company. Their argument is, “ Such companies deliver superior earnings growth and share price returns.”

We buy small cap companies with high RoCEs(excluding Financial Services stocks) combined with high reinvestment rates:

An analysis of Indian small cap companies (excluding Financial Services stocks) with market caps ranging from Rs1bn to Rs35bn (the universe for the Little Champs portfolio) indicates that companies with high RoCEs invariably deliver high share price returns. This correlation between the RoCE and the share price return is quite logical. Companies with deep rooted competitive advantages deliver returns on capital employed substantially higher than their cost of capital. This results in strong free cash flows for these companies and enables them to sustain their growth and earnings over the longer term.

However, high RoCE by itself would not be of much use if the company is not able to find avenues to redeploy the surplus cash flows at the current high level of RoCE. On the other hand, companies which are able to maintain a combination of high reinvestment rates amidst high RoCEs typically deliver the highest share price returns .

At Market-Hub Advisory services, we like this investment philosophy. In next, article we will see how these companies are different than other average companies..

To be continued.....

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