



Market News

Equity barometer Sensex closed 214 points, or 0.56 percent up at 38,434.72 while Nifty settled 59 points, or 0.53 percent, up at 11,371.60.

BSE Midcap rose 0.57 percent while BSE Smallcap outperformed, rising 1.41 percent.

In terms of index contribution, HDFC Bank, Asian Paints, HDFC, ICICI Bank and NTPC emerged as the top boost to Sensex. On the flip side, Reliance Industries, Infosys, Bharti Airtel, HCL Tech and TCS were the top drags on Sensex.

Aarti Drugs share price surges 18% in 2 days, hits new 52-week high after Board approves issuance of bonus shares

The Board of Directors have approved the issuance of fully paid-up bonus shares in the ratio of 3:1

State Bank of India (SBI) share price gained over 2 percent in morning trade on August 21 after global research firm CLSA maintained buy rating on the stock.

CLSA has retained a buy call on the stock and has raised target price to Rs 310 from Rs 270 per share. It is of the view that the company presents a deep value opportunity. It is relatively better positioned on asset quality post-COVID, according to a CNBC-TV18 report.

Vedanta Resources raises \$1.4 billion via bonds to support delisting of Indian flagship firm

The bond issuance follows the commitments for \$1.75 billion that VRL had received earlier for a three-month term loan facility, taking the total amount of debt to \$3.15 billion across global debt markets.

Yes Bank exits CG Power, sells over 10% stake in tranches
Yes Bank has sold 6,34,00,000 equity shares having nominal value of Rs 2 each, constituting 10.12 percent of the share capital of CG Power in various tranches. CG Power locked in upper circuit after Yes Bank cuts its stake in company

GDN Investments acquired 46 lakh shares in CG Power at Rs 14.66 per share on the BSE.

Voltas share price gains 2% as brokerages retain 'buy' after Q1 numbers

The company posted a net profit at Rs 102.86 crore in June 2020, down 30.05 percent from Rs 147.05 crore in June 2019.

L&T Finance exits CG Power, IndusInd Bank offloads 2.1% stake in Mcleod Russel
L&T Finance exited CG Power, erstwhile Crompton Greaves, which manufactures power transformers and reactors. HDFC Securities picks 16 stocks post Q1 earnings, keeps cautious stance in near-term
The brokerage believes Q2 and Q3 results will be better indicators of the underlying demand conditions, and stress in the banking sector as supply chains settle down, moratorium period ends, and festive season kicks in.

Results & Corporate Action

Result Calendar	
Date	Company Name
24 Aug 2020	LICHSGFIN
26 Aug 2020	IGL
27 Aug 2020	NMDC



Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
Dividend	Bannariamman	Final (100.00%)	..	25-08-2020
	IWML	Special (2000.00%)	27-08-2020	26-08-2020
	Grasim	Final (200.00%)	..	26-08-2020
	Britannia	Interim (8300.00%)	27-08-2020	26-08-2020
	Pfizer	Final (100.00%)	..	27-08-2020
	Munjil Showa	Final (225.00%)	..	27-08-2020
	KCP	Final (15.00%)	~	27-08-2020
	Alfred Herbert	Final (25.00%)	..	27-08-2020
	Abbott India	Special (1430.00%)	..	28-08-2020
	Josts Engineers	Final (30.00%)	..	28-08-2020
	Coral India Fin	Final (10.00%)	..	28-08-2020
	South (I) Paper	Final (15.00%)		28-08-2020
	Solitaire Mach	Final (05.00%)	..	28-08-2020
Rights issue	Minda Ind Fv(2)	Rights Ratio (1:27)	18-08-2020	14-08-2020
Bonus	Bornbay Super	Bonus Ratio(1:3)	28-08-2020	27-08-2020
Split	Eicher Motors	New Fv1		24.08-2020



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 11460.35 and in Downside 11144.50.



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 11555 is strong resistance if not cross this level then sell on rise down side 11000 to 10900 possibility.

Bank Nifty in Upcoming week:-

There is strong resistance 22600 sell on rise with sl 22600 down side target 21600 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above / Below / Add HOLD	CMP as on 22.08.2020	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	CANBK(BUY)	HOLD99	104.30		98		125/135
2	AJANTPHARM(BUY)	AROUND1550	1693		1435		1850
3	LT(BUY)	AROUND963	982.80		929		1071

Commodity Market

COPPER: ~ Buy in deep with stop loss 490 upside target will be 533 if close above 533 then next target 600 possibility.



CRUDEOIL:-There is strong resistance is 3333 sell on rise this day closing sl down side target 2940 possibility buy in deep with sl 2790.

SILVER: - There is strong support is 60400 buy in deep this sl upside target 71700 to 74000 possibility.



GOLD:- sell on rise with sl 54400 don side target 51400 possibility.

Currency Market (Future Levels)

USDINR: - Investors can buy in deep with stop loss 74.50 upside target will be 75.30 possibility, Investors can sell on rise with stop loss 75.70 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 98.50 to 99.00 possibility, sell on rise with stop loss 99.70 down side target will be 97.00 possibility.



EURINR: - Investors can sell on rise with stop loss 89.70 down side target will be 88.00 to 87.40 possibility.



JPYINR:- Investors can buy in deep with stop loss 69.60 upside target will be 70.50 to 71.30 possibility.



Currency FUT LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	74.50	74.74	75.02	75.31	75.65
GBPINR	96.48	97.15	98.27	99.00	100.00
EURINR	87.20	88.00	88.58	89.02	89.30
JPYINR	69.00	69.75	70.34	70.57	71.06

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.22
Three month Forward	0.35
Six month	1.17
One year	2.65

RBI reference Rates	
Currency	Rates
USD	75.01
GBP	98.13
Euro	88.82
100 Yen	70.70

About Marcellus Little Champ Portfolio:

(Continued from two Weeks.)

Quite often we study the portfolio of many Mutual Funds Schemes. Similarly, we will study the portfolio of Marcellus Small Cap Funds. In continuation to the previous week, this time, we will study the impact of some serious events on their portfolio companies.

Coronavirus and impact on Little Champs investment strategy

For understandable reasons, there has been growing investor concerns surrounding Coronavirus. Whilst there are still several uncertainties regarding when the disease will finally be brought under control, we see limited long term impact of the Coronavirus on the fundamentals of the companies we invest in due to the following reasons:

§ From a demand perspective, there are 5 portfolio companies (portfolio allocation of ~40-45%) which have meaningful exports (more than 25% of their revenues). However, the exports as well as the global operations of these companies are pre-dominantly into Western geographies.

From a supply disruption perspective, barring one portfolio company (8% portfolio allocation) none of the other companies rely directly on any meaningful imports from China. However, there will be an indirect impact on the auto-ancillary companies in the portfolio (15-20% portfolio allocation) where the user industry (i.e. automobile OEMs) source components from China and hence are exposed to the ongoing supply chain disruption in China. We believe these supply chain disruptions can have a short-term impact on the earnings of these companies. We

expect supply chain disruptions could be made up over the next 6-12 months as sourcing from China can be substituted from other geographies.

History has been a witness to many similar events like SARS, MERS, Ebola or even demonetization (which practically shut the whole of Indian economy for about 2-3 months). Such events had only a temporary impact on business activity which bounced back quite sharply as the uncertainties faded away.

Further, there will be a few offsetting factors in the short term which will help the Little Champs companies like: (a) buffer of a few months of raw material inventory that are maintained by the companies especially for their imported components; (b) a sharp fall in crude oil prices which is positive for earnings of many of our portfolio companies; (c) liquidity easing measures by central banks globally to mitigate the impact of Coronavirus; and (d) some companies in our portfolio benefit from substitution of Chinese manufacturing by these Indian companies.

As such, while we remain to be watchful of the events unfolding in front of us (particularly since the spread of the virus in India), we continue deploying clients' monies in buying the Little Champs stocks. These are clean, well-managed franchises with sustainable competitive advantages and they are likely to be able to continue growing their businesses inspite of the short run disruption posed by the virus.

We hope, that the readers have enjoyed this 3 week long article which gave us fair idea on the logic of selectindg the right companies in the portfolio.

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