



Market News

Indian markets are relentlessly scaling new highs with Nifty-50 breaching the 14,000 level and BSE Sensex close to the 48,000 mark. Global cues have remained positive for most Asian markets with MSCI Emerging Markets reporting 2.9% gains this week. India's benchmark indices Nifty-50 and BSE Sensex have gained ~1.7% each this week.

Big Nifty-50 gainers this week which were up more than 5% are JSW Steel, Tata Motors & IndusInd Bank. In spite of lesser participation from FII, the Nifty-50 gave a strong closing on the monthly expiry day. The robust FII flows of ~USD 7.3 bn in December and strong closing on expiry indicates bullish rollovers for January expiry. The macro numbers like GST collection and current account surplus are also supportive from an economy perspective. Expect the Nifty-50 to go somewhere mid way of the 14,000 to 15,000 range in January.

bajaj Auto on January 1 said it has become the first two-wheeler company globally to cross a market capitalisation of Rs 1-lakh crore (around \$13.6 billion).

This market valuation is considerably higher than all other domestic two-wheeler companies, Bajaj Auto said in a statement.

As per analysts, a market capitalisation of over Rs 1-lakh crore has not been achieved before by any international two-wheeler company anywhere in the world, it added.

The company's share closed at Rs 3,479 on NSE on Friday, giving it a market capitalisation Rs 1,00,670.76 crore.

share price added 3 percent intraday on January 1 after the company reported sales number for the month of December 2020.

The company's auto sales (passenger vehicles+ commercial vehicles+ exports) for the month of December 2020 stood at 35,187 vehicles, compared to 39,230 in December 2019.

In the utility vehicles segment, it sold 16,050 vehicles in December 2020, compared to 15,225 vehicles in December 2019, registering a growth of 5%.

The passenger vehicles segment (which includes UVs, Cars and Vans) sold 16,182 vehicles in December 2020, a growth of 3% over same period last year.

Mahindra and Mahindra was quoting at Rs 738.50, up Rs 17.90, or 2.48

Result Calendar

Date	Company Name
08 January 2021	TCS

Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 14049.85 and in Downside 13811.55



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

There is strong Support is 13800 up side target 14150 possibility,if close above 14150 then 14400 level possibility.

Bank Nifty in Upcoming week:-

There is strong Support is 30780 up side target 31500 to 31900 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above/ Below/ Add HOLD	CMP as on 02.01.2021	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	NAVKARCORP(BUY)	Hold43.35	42.60		35		70
2	ARVIND(BUY)	Hold41.60	47.60	38.70			55/60
3	HDFCLIFE(BUY)	Hold643	678.40		615		700/750

Commodity Market

COPPER: ~ Sell on rise with sl 633 down side target 580 possibility.



CRUDEOIL:- buy in deep with sl 3300 upside target 3650 to 3700 possibility.



SILVER: - buy in deep with sl 62700 upside target 70000 possibility.



GOLD:- buy in deep with sl 48500 upside target 51000 possibility, Sell on rise with sl 51200 down side target 48600 possibility.



Currency Market (Future Levels)

USDINR: - buy in deep with stop loss 72.80 upside target will be 73.50 possibility, sell on rise with sl 74.05 down side target 73.00 possibility.



GBPINR: - Investors can buy in deep with stop loss 97.40 upside target will be 100 possibility.



EURINR :- Investors can sell on rise with sl 90.50 down side target 88.50 to 87.50 possibility.



JPYINR:- Investors can sell on rise with sl 71.70 down side target 69.50 possibility.



Currency FUT LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	72.80	73.00	73.30	73.67	74.05
GBPINR	97.50	98.50	99.80	100.40	101
EURINR	88.00	88.70	89.26	90.00	90.50
JPYINR	69.50	70.40	70.80	71.35	71.70

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.20
Three month Forward	0.33
Six month	1.15
One year	2.62

RBI reference Rates	
Currency	Rates
USD	73.05
GBP	99.60
Euro	89.79
100 Yen	70.84

Saurabh Mukherjea is betting on these 3 trends to make money in 2021 (part ii)

In continuation with our previous article let us understand what Saurabh Mukherjea talks about the trend going forward, the financials companies and about Reliance Industries.

We have taken this article from Economic times

(https://economictimes.indiatimes.com/markets/expert-view/saurabh-mukherjea-on-3-trends-to-emerge-in-2021/articleshow/79938688.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

How do you treat financials now? Month to date, Nifty Bank has given a 1% uptick as opposed to Nifty IT's 11%.

We have launched a portfolio in mid July called Kings of Capital and we stuffed it full with the best banks, the best NBFCs and best life insurers, general insurers asset managers and brokers. Around 60% of Kings of Capital is lenders, 40-45% are savings plays. Now let us discuss the lenders first. What is very interesting is that the top five-six lenders have super heavily for Covid, the top five-six lenders have stashed away a huge amount of provision.

If you take the top three PSU banks – SBI, BOB, PNB -- and top five or six private sector lenders like HDFC Bank, Kotak Bank, Bajaj Finance, Axis Bank, it shows Covid provisioning is six to seven times more for the private sector lenders than for the PSUs. The cumulative loan books of top three PSU banks and top five or six private sector lenders are similar in size but the private sector banks have provisioned six to seven times more and therefore

to use a popular aphorism, the Queen's Gambit move, is load up on the top private sector lenders who have already provisioned super heavily for Covid.

The leading private sector lenders are assuming heavy NPAs in their moratorium books, heavy write-offs there and are already provisioned for that. The PSU banks are saying we do not really have the tier I so we cannot really provision, So, it is like waiting for lady luck to play out on the PSU side. Therefore, it is a straightforward story – buy the top PSU banks. The provisioning disparity is very stark and it is obvious that there will be Covid NPAs and COVID write offs as we get into 2021.

Coming to the savings side, you have heard how 60-70 lakh brokerage accounts have been opened in the last six-seven months. We are trying to play that dynamic by investing in good brokers. We think private sector life insurance will have a super run because this whole dynamic around Covid is driving demand for life insurance. You can see that in the data and we have bought HDFC Life there as our main play across several portfolios.

We have built positions in HDFC Life. So good private sector lenders, not just the frontline names but say even smaller banks like AU Small Finance Bank NSE 2.67 %, City Union Bank. which are well provisioned lenders and asset management, broking and life insurance on the savings side have several good years ahead. HDFC Life is our chosen play on the life insurance piece.

One of the big juggernaut -- Reliance Industries -- has stalled. You have earlier said that you do not see merit in holding on to Reliance for too long. What happens next as it is struggling in sub 2,000 levels?

I have twice said that we cannot quite figure out where the free cash flows will come from. We cannot but admire how adroitly they are pivoting this business away from the traditional chemicals and oil refining business into retail and telecom but the challenge in all of this is where do you generate the free cash flows from? Indian retail is a tough game

-- be it Flipkart, Amazon. Beyond a DMart or a Titan, not too many people have generated free cash flow there.

Coming on to Indian telecom we have not seen anybody generate free cash flow there either. So to the extent we are a classical investing shop, we look for free cash flows, we look for dominant competitive advantages. We have been a little bit at a loss as to how to build that thesis? We completely understand the scale of the transformation this company has pulled off and I am sure the transformation has a long way ahead to go but the lack of clarity on future cash flows and specifically lack of clarity on future free cash flows has kept us away from putting this in our portfolio.

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