



Market News

Markets drifted lower for the fourth successive session and lost nearly a percent, tracking unresponsive global cues. After a weak start, the benchmark indices tried to recover but profit-taking in banking, auto, metal and healthcare majors gradually pushed the index southward. Consequently, the Nifty index settled below 15,000 and we had a similar trend on the sectoral front.

Nifty has critical support at 14,800 and a decisive break may result in further fall else consolidation will continue. We reiterate our cautious stance and suggest focusing more on position management during the corrective phase. Further, volatility is likely to remain high across the board. Traders should align their positions accordingly and limit leveraged positions.

The market ended lower for the fourth consecutive day on February 19, with the Nifty slipping below the crucial 15,000 and the Sensex below the 51,000-mark. At close, the Sensex was down 434.93 points, or 0.85 percent, at 50,889.76, and the Nifty was down 137.20 points, or 0.91 percent, at 14,981.80.

"The index closed the week on a negative note at 14,982 with loss of more than one percent and formed a bearish engulfing kind of candle pattern on weekly chart which represents trend reversal. As the index managed to breach its strong support of the 15k mark, which will

act as an immediate resistance now, so above the 15k mark, we may see some relief otherwise we may see more downside levels of 14,900-14,750 on the other hand 15,100-15,170 will act as a strong hurdle on the higher side," said Rohit Singre, Senior Technical Analyst at LKP Securities.

Private sector IDFC First Bank on Thursday said its board has okayed raising up to Rs 3,000 crore through various means.

The lender said there are significant opportunities for growth based on the strong capabilities it has built as well as the strong outlook for economic recovery in India.

The board of the bank has approved raising of funds "up to Rs 3,000 crore by way of issuance of securities, through one or more permissible mode(s), including but not limited to a private placement, Qualified Institutions Placement, Follow-on Public Offering or a combination thereof," IDFC First Bank said in a regulatory filing.

National Aluminium Company (NALCO) share price gained over 2 percent intraday on February 18. The company will buy back Rs 749-crore worth of shares, DIPAM Secretary Tuhin Kanta Pandey has said. The offer opens on February 25 and closes on March 10.

Results & Corporate Action



Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
BONUS	NAKODA GROUP OF	Bonus Ratio 1:100	26-02-2021	25-02-2021
RIGHTS	AFL	Rights Ratio 3:20 FV 4	24-02-2021	23-02-2021
DIVIDEND	Tube Investment	Interim (200%)	23-02-2021	22-02-2021
DIVIDEND	Shanthi Gears	Special (150%)	23-02-2021	22-02-2021
DIVIDEND	ITC	Interim (500%)	23-02-2021	22-02-2021
DIVIDEND	Aurobindo Pharm	Interim (150%)	23-02-2021	22-02-2021
DIVIDEND	Techno Electric	Interim (150%)	25-02-2021	24-02-2021
DIVIDEND	ISGEC Heavy Eng	Interim (200%)	25-02-2021	24-02-2021
DIVIDEND	The Yamuna Synd	Interim (175%)	26-02-2021	25-02-2021
DIVIDEND	Amara Raja Batt	Interim (500%)	26-02-2021	25-02-2021



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 15431.75 and in Downside 14898.20



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

There is strong Support is 14800 up side 15250 is resistance .

Bank Nifty in Upcoming week:-

There is strong Support is 35000 upside 36660 is resistance .

Recommendation for next week

Serial No.	Stock Name Cash segment	Above / Below / Add HOLD	CMP as on 20.02.2021	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	ABCAPITAL(BUY)	HOLD90	98.65	87			116/125
2	PNB(BUY)	AROUND40.50	42		38		45-50
3	DELTACORP(BUY)	HOLD 152	152		137		170/200

Commodity Market

COPPER:~ buy in deep with sl 640 upside target 716 possibility.



CRUDEOIL:- buy in deep with sl 3700 upside target 4600 to 4700 possibility.



SILVER: - buy in deep with sl 65000 if close above 70000 then next target 73000 possibility.



GOLD:- Sell on rise with sl 48400 down side target 44000 possibility.



Currency Market (Future Levels)

USDINR: - buy in deep with stop loss 71.90 upside target will be 73.00 to 73.35 possibility, sell on rise with sl 73.50 down side target 72.00 possibility.



GBPINR: - Investors can buy in deep with stop loss 98.50 upside target will be 101.50 to 103 possibility.



EURINR :- Investors can buy in deep with stop loss 86.20 upside target will be 90.00 possibility.



JPYINR:- Investors can buy in deep with stop loss 66.00 upside target will be 70.50 possibility.



Currency FUT LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	72.00	72.50	72.94	73.20	73.50
GBPINR	98.50	99.50	100.18	101.50	103.00
EURINR	86.50	87.00	87.70	88.50	89.50
JPYINR	67.00	68.00	68.75	69.50	70.50

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.30
Three month Forward	0.43
Six month	1.26
One year	2.73

RBI reference Rates	
Currency	Rates
USD	72.73
GBP	100.71
Euro	87.65
100 Yen	68.68

Saurabh Mukherjea's thaali portfolio: Stick to dal and chawal, limit your desserts!

While we all try to understand 'what' stocks to buy, the equally important thing is to understand 'how much' to buy for our portfolio. We are happy to present Mr. Saurabh Mukherjea's view on the same.

Do you think some of the classic compounders can get into time-wise correction because there is a limited scope for Asian Paints PE multiples to expand even if growth is strong? HUL was a great company but between 1995 and 2000 it did not give any great returns. Could it happen to Asian Paints and the other classic compounders?

This is a subject that one can look at very carefully. There is plenty of data on this. What India's history suggests is that in the raging bull market of 2004 to 2009, before the Lehman correction set in, the Sensex compounded around 30%. In those four years, the Sensex and the Nifty consistently gunned out north of 30%.

In that sort of climate, these traditional names like Asian Paints or a Pidilite type portfolio still gave a 23-24% which to my mind is very good going. Obviously, they are underperforming because in a raging capex cycle like 2004-2008, the market was giving 30-35% but Asian Paints cannot give 30-35%. It is not going to be in a raging capex cycle. Neither can a Pidilite nor can a Berger Paint, nor a Divi's Lab for most part. So you are happy in that part of the cycle to have 20-25% and that is when the satellite piece comes in.

In the satellite part of the portfolio, in the smallcap portfolio, if you have high quality smallcap names which are compounding at 30-35% and if in your financials portfolio, you have good, smaller lenders, asset managers and insurers who are

giving a good compounding, then you are more than able to keep up with the market without giving up on your core names.

The reason you should keep the core portfolio, these high quality compounders is because in a pull back like Lehman crisis, like Covid pandemic and the dotcom bust, these names such as Nestle, Asian Paints and Pidilite give an enormous downside protection.

None of us has a crystal ball, we do not exactly know what the next two to three years hold. We would like to benefit from the economic recovery but at the same time we do not want a big correction in the portfolio. As soon as you load up the portfolio heavily in metals, mining, real estate, power, infrastructure and construction, you are exposing yourself to a major draw down.

Hence our view has been that the core has to be super strong. Let me put it like this, the dal chawal (bread and butter) portfolio has to be high quality compounders with impeccable pedigree; Nestle, Asian Paints, HDFC Bank, Kotak Bank, Berger Paints and so on. The main course, the vegetable dish can be one run down in market caps -- so AU Finance, Avaas Financiers and so on. The desert can be really well-run small caps. The sweet dish has to be had in moderation, the main course also has to be had in a reasonable degree of moderation.

The dal chawal stocks, the bread and butter stocks should be 60-65% of your portfolio and that dal chawal for us is our Consistent Compounders portfolio, our main course. The Kings Of Capital and the sweet dish is our small cap strategy Little Champs. If you see it like that, it logically stacks up and you get everything in sort of good proportions, you protect the core of your franchise, the core of your portfolio and generate solid compounding through both bull and bear markets.

You are missing on the health part, which is pure salad and appetisers. What would be that part of the portfolio?

In the salad part of the portfolio, you are trying to whet your appetite and have something reasonably healthy. We are looking at building another small and midcap strategy where we can combine the best of small and midcap with some of the

stability of largecap stocks. I will give you a couple of salad stocks, stocks which I think both whets your appetite and and which are still fine, powerhouse franchises. These are something like Relaxo or a Dr Lal Path Labs. These are both franchises at \$3 billion or less than \$3-billion market cap.

They have a dominant market share in their specific niche. In Relaxo's case, it is the low end of the footwear market. They already have 20-30% share but they are not a dominant franchise in their entire footwear market. Dr Lal Path Labs in the northern Indian region is a good fifth to a third of the market but they are not yet dominant pan India. So the salad part, the appetiser part would be the small and midcap companies which have become dominant in specific niches and we have to make a call -- will they be an all India champion? Will they over the next 10 years become a Nestle style franchise worth \$20-25 billion in market cap with a powerhouse pan India strategy? It is one way to combine the best of both possible worlds. Invest in a franchise with great pedigree, great 10-year historical numbers and then look ahead over the next 10 years and say as our country grows, this said company -- a Relaxo or a Dr Lal Pathlabs -- can become 10x in 10 years as they grow into the broader market.

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