



Market News

Global IT consulting firm Accenture posted better-than-expected third-quarter revenue on June 24, boosting hopes that the IT sector will continue to see strong demand and orders.

The company's revenue rose to \$13.3 billion in the quarter ended May 31 from \$11 billion a year earlier, news agency Reuters reported. Analysts on average had estimated revenues of \$12.8 billion, according to IBES data from Refinitiv.

Accenture's quarterly numbers and guidance have further brightened the outlook for the IT sector, as most brokerages have reaffirmed their positive view on the sector.

While news of the Google-Jio smartphone grabbed the early headlines in reporting on Mukesh Ambani's speech at the Reliance AGM, this launch could be seen as the latest milestone in the saga of Reliance's quest to provide affordable communications in line with Dhirubhai's exhortation to bring down the cost of mobile phone usage on par with that of a postcard.

As a student of technology management and innovation, it was good to hear from Ambani's speech that Reliance has successfully developed and deployed its own technology platform for its 5G rollout. News reports that arch-rival Airtel has decided to collaborate with TCS to develop its own platform too shows a welcome confidence in developing advanced technologies in India.

The initial public offering (IPO) of India Pesticides, one of India's leading agro-chemical manufacturers, had been subscribed 29.04 times by the morning of June 25, the final day of bidding. Investors had bid for 56.07 crore equity shares against the IPO size of 1.93 crore shares, the subscription data available on exchanges showed.

The IPO size was reduced to 1.93 crore shares after the company raised Rs 240 crore from anchor investors on June 22, a day before the issue opened.

The portion reserved for qualified institutional investors has been subscribed 42.95 times and that of non-institutional investors 51.88 times. Retail investors have put in bids 11.30 times their reserved portion.

Ashok Leyland share price added 9 percent intraday on June 25 after the company turned profitable in Q4FY21. The company posted standalone net profit at Rs 241.1 crore in the fourth quarter of FY21 against a loss of Rs 57.3 crore in the year-ago period.

Its standalone revenue was up 82 percent at Rs 7,000.5 crore versus Rs 3,838.5 crore in the year-ago quarter.

Earnings before interest, tax, depreciation and amortization (EBITDA) were at Rs 533.7 crore and the margin expanded to 7.6 percent from 4.7 percent (YoY)

LIC Housing Finance share price added 2 percent in the morning session on June 25 after the company decided to raise over Rs 2,334 crore from LIC as equity capital.

Life Insurance Corporation of India (LIC) will infuse about Rs 2,334.70 crore in its subsidiary LIC Housing Finance by picking up an additional stake in the company.

LIC Housing Finance will issue shares at Rs 514.25 apiece to its promoter LIC on a preferential basis. The board of directors of the company in its meeting last week had approved preferential shares up to 4,54,00,000 through a private placement to LIC.

Oil and Natural Gas Corporation (ONGC) share price rose over 2 percent in the early trade on June 25 after the company posted profit in the quarter ended March 2021.

The company, on June 24, reported a standalone profit of Rs 6,734 crore for the quarter ended June 2021, driven by realisations.

The PSU oil & gas major posted a loss of Rs 3,214 crore in the year-ago quarter.

Results & Corporate Action

Result Calendar	
Date	Company Name
28 Jun 2021	NATIONALUM
29 Jun 2021	IRCTC
30 Jun 2021	IDEA

 MARKET-HUB				
Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
DIVIDEND	<u>GM Breweries</u>	Final (40%)	~	28-06-2021
DIVIDEND	<u>Sagarsoft</u>	Final (25%)	~	29-06-2021
DIVIDEND	<u>Neuland Lab</u>	Final (30%)	~	29-06-2021
DIVIDEND	<u>Khaitan Chemica</u>	Final (15%)	~	29-06-2021
DIVIDEND	<u>Happiest Minds</u>	Final (150%)	~	29-06-2021
DIVIDEND	<u>HDFC Bank</u>	Final (650%)	30-06-2021	29-06-2021
DIVIDEND	<u>HDFC AMC</u>	Final (680%)	~	29-06-2021
DIVIDEND	<u>HDFC Life</u>	Final (20.20%)	01-07-2021	01-07-2021
DIVIDEND	<u>TTK Prestige</u>	Final (300%)	~	01-07-2021
DIVIDEND	<u>Swaraj Engines</u>	Final (500%)	~	01-07-2021
DIVIDEND	<u>PTL Enterprises</u>	Final (125%)	~	01-07-2021
DIVIDEND	<u>Adani Enterpris</u>	Final (100%)	02-07-2021	01-07-2021
DIVIDEND	<u>Subex</u>	Final (5%)	~	01-07-2021



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 15895.75 in Downside 1505.65



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty down side 15400 support and up side 16333 is resistance.

Bank Nifty in Upcoming week:-

Banknifty down side 33900 support and up side 35700 is resistance.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above Below Add HOLD	CMP as on 26.06.2021	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	ROHLTD(BUY)	ABOVE 91.6	83.90		83		132
2	SHRECEM (BUY)	ABOVE 29095	28729		2860		32050
3	LICHSGFIN(BUY)	ABOVE 480	467.70		455		542

Currency Market (Cash Levels)

USDINR:- Investors can buy in deep with stop loss 73.40 upside target will be 74.50 to 75.00 possibility.



GBPINR: - Investors can buy in deep with stop loss 101.80 upside target will be 104.00 to 105.00 possibility.

EURINR :- Investors can sell on rise with stop loss 89.06 down side target will be 87.50 possibility.



JPYINR:- Investors can buy in deep with stop loss 66.40 upside target will be 67.60 possibility.



Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	73.00	73.50	74.20	74.50	75.00
GBPINR	101.50	102.00	103.15	103.60	104.00
EURINR	87.00	87.50	88.62	89.00	89.50
JPYINR	66.00	66.50	67.00	67.50	68.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.23
Three month Forward	0.53
Six month	1.33
One year	3.03

RBI reference Rates	
Currency	Rates
USD	74.18
GBP	103.30
Euro	88.56
100 Yen	66.92

HOW TO BUILD A SAFE PORTFOLIO WHEN MARKET IS AT RECORD HIGH?

Interview of Nimesh Chandan, Head - Investments, Equities, Canara Robeco Mutual Fund. This is a very good opportunity to pick up companies or sectors that are benefitting from the capex cycle. Valuations are also quite attractive because people are still skeptical.

What do you make of the market being near all-time high? What is the market trying to price in?

Clearly, the market is looking beyond the near-term to price in the recovery post the second wave. There are benefits of a quick vaccination programme that the government has embarked upon. Positive global cues are coming from the Federal Reserve and the US government in terms of spending. It is a positive scenario in terms of the investment cycle and cyclical sectors. That is why we are seeing commodities, industrials, industrial products and BFSI doing well. So investors are actually looking beyond the near-term concerns to look at what can happen one or two years down the line.

Are metals the best placed in the capex cycle?

We have been bullish on the commodity cycle since last October. I have been bullish about the reflation story and specifically about recovery in commodity prices. We have seen a very strong leg of up move in commodity prices across the world, which has also benefited commodity companies in the country. They have seen fantastic improvement in profits, they are also using their cash flows to deleverage their balance sheets and some of them are also looking to expand further. There will be some impact coming from the easing of the pandemic situation also.

There will be certain commodities that benefit from supply constraints. The demand has been recovering well but there are pockets where there are supply constraints. With normalisation, we can expect some supply coming back. So some correction can happen in commodity prices. Overall, as the economic recovery picks up across the globe, the capex story in commodities metals in particular, become a very strong contender.

Whenever there is an uptick, midcaps get benefitted more.

Midcaps and smallcaps peaked around December 2017. From ,2018 they were in a bearish cycle till about September 2019. There was some recovery in select pockets in midcaps and smallcaps. Some midcaps were helped by government initiatives like PLI and tax incentives. They fell sharply during the pandemic last year in March and April. Only in the last six months we have seen midcaps and smallcaps do extremely well. The valuation gap between Nifty and the midcap and smallcap indices have been filled in the last six months. It is a wide canvas and we need to be selective from here on when investing in midcaps and smallcaps.

How would you look at building a safe portfolio at this point of time?Should one increase allocation to IT stocks or large FMCG names like HUL, etc?

We are quite positive on the market outlook. We are not expecting a significant fall. Yes, there can be corrections which are part of a bull market. It is difficult to time them. We see a lot of opportunity in the capex part of the economy. We are seeing a revival in capex in India after a very long time. Most of the capex indicators had peaked between 2010 and 2012 and have been moving down.

From here on, we expect a good improvement in capex from the government through infrastructure spending and by the private sector through investments in manufacturing, whether it is related to PLI or commodity or cyclicals. We also expect a good pick up in real estate.

All three engines of investment -- government, private corporates and household sector -- will fire in the next 2-3 years. That gives a very good opportunity to pick up companies or sectors that are benefitting from the capex cycle. So there could be companies in the commodity side, cyclicals, industrial products or auto ancillaries. The valuations are quite attractive because people are still skeptical.

In the last 10 years, a lot of false dons have been seen in this sector. They never really sustained, but this time the signs are quite strong with lower interest rates, better capital markets and good availability of funding. I believe there will be a fantastic pickup in the capex cycle in the country going forward. And these are the areas to fish for where growth is either underappreciated or valuations are attractive enough to deserve a rerating.

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