MARKET-HUB
NEWS LETTER

Beyond Research,
Beyond Advice

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Market News

The rupee declined 11 paise to 76.05 against the US dollar in the opening trade on Friday, tracking the surge in international crude prices amid the intensifying Russia-Ukraine conflict.

Unabated foreign fund outflows and a weak trend in domestic equities also weighed on investor sentiment, forex traders said.

At the interbank foreign exchange, the rupee opened weak at 76.06 against the US dollar, then gained slightly to 76.05, registering a decline of 11 paise from the last close. On Thursday, the rupee had settled at 75.94 against the US dollar.

Indian bond yields rose further on Thursday, tracking an uptick in global crude oil prices, while expectations of a March rate increase by the US Federal Reserve were reaffirmed by comments from its chairman, pushing up US yields.

Oil prices extended their rally, with Brent rising above $118 a barrel as trade disruption and shipping issues from Russian sanctions over the Ukraine crisis sparked supply worries, while US crude stocks fell to multi-year lows.

Gold prices went flat on March 3 in the international markets as risk appetite improved after the US Federal Reserve chairman tried to assuage fears about aggressive interest rate hikes, offsetting safe-haven demand spurred by the Russia-Ukraine conflict.

On the Multi-Commodity Exchange (MCX), gold contracts were up 0.54 percent at Rs 51,570 for 10 grams at 9.26 am but silver added 0.41 percent at Rs 67,240 a kilogram.

Billionaire Anil Agarwal-led Vedanta Ltd has declared an interim dividend of Rs 13 per equity share, which will lead to an outgo of Rs 4,832 crore for the mining major. This was the third interim dividend for the fiscal year 2021-22.

The Board of the company, which met on March 2, approved the interim dividend, which translates to 1,300 percent on the face value of every equity share worth Rs 1, according to a stock exchange announcement.

The record date for the purpose of payment of dividend is March 10, it added.

Rain Industries' share price was down more than 12 percent in the morning session on February 28 after the company posted a consolidated net loss of Rs 97 crore in the December quarter against a profit of Rs 307 crore in the year-ago period.

Results & Corporate Action

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Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
BONUS	Deep Polymers L	Bonus Ratio 3:4	09-03-2022	08-03-2022
BONUS	Ultracab India	Bonus Ratio 1:2	12-03-2022	10-03-2022
BONUS	Vishal Fabrics	Bonus Ratio 2:1	11-03-2022	10-03-2022
BONUS	BCL Enterprises	Bonus Ratio 1:1	11-03-2022	10-03-2022
SPLITS	Nouveau Global	Old Fv 10 New fv 1	--	07-03-2022
SPLITS	BCL Enterprises	Old Fv 10 New fv 1	--	10-03-2022
SPLITS	Mauria Udyog	Old Fv 10 New fv 1	--	10-03-2022
SPLITS	Ultracab India	Old Fv 10 New fv 2	--	10-03-2022
DIVIDEND	VIP Industries	Interim 125	09-03-2022	08-03-2022
DIVIDEND	Vedanta	Interim 1300	10-03-2022	09-03-2022
DIVIDEND	Saven Tech	Interim 100	11-03-2022	10-03-2022
DIVIDEND	EID Parry	Interim 550	11-03-2022	10-03-2022

Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 16815.90 in Downside 16133.80.

NIFTY WEEKLY CHART

BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty upside if not close above 16850 level then sell on rise trend down side level 15950 to 15600 possibility.

Bank Nifty in Upcoming week:-

Banknifty upside if not close above 37600 level then sell on rise trend down side level 34000 to 32900 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above/Below/Add HOLD	CMP as on 05.03.2022	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	BIRLACABLE(BUY)	HOLD 136	136	132			195
2	NDTV(BUY)	CMP 167	167		153		200
3	GRASIM (SELL)	HOLD 1535	1475			1599	1425

Commodity Market

COPPER buy in deep with sl 769 upside target 875 possibility.

CRUDEOIL:- buy in deep with sl 7878 upside target 9100 possibility.

SILVER:- Investors can buy in deep with stop loss 64000 up side target will be 70900 possibility.

GOLD:- Investors can buy in deep with stop loss 51000 up side target will be 53000 possibility.

Currency Market (Cash Levels)

USDINR:- Investors can sell on rise with stop loss 76.70 down side target will be 74.35 possibility.

GBPINR: - Investors can buy in deep with stop loss 99.50 up side target will be 101.50 to 102.50 possibility.

EURINR:- Investors can sell on rise with stop loss 84.75 down side target will be 83.50 possibility.

JPYINR:- Investors can sell on rise with stop loss 66.50 down side target will be 65.10 possibility.

Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	74.35	75.15	76.19	76.50	77.00
GBPINR	99.50	100.50	101.25	102.25	102.50
EURINR	82.50	83.00	83.65	84.00	84.50
JPYINR	65.00	65.50	66.00	66.50	67.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.35
Three month Forward	0.60
Six month	1.40
One year	3.08

RBI reference Rates	
Currency	Rates
USD	75.71
GBP	101.49
Euro	84.03
100 Yen	65.45

WE ARE HEADED TOWARDS A BORING MARKET NOT A BEAR MARKET: VIJAY KUMAR GABA

A barrage of bad news has made the market mood rather despondent in the past one month. The enthusiasm created by the "path breaking" budget did not last even for one week. Issues such as macroeconomics (growth, inflation, current account, yields, the level of the Indian rupee), geopolitics (Russia-Ukraine), politics (state elections) and persistent selling by foreign portfolio investors (FPIs) have dominated the market narrative in the past one month. The trends in corporate earnings also did not help the cause of market participants.

Several indices have declined from their respective all-time high levels recorded between October 2021 and January 2022. The benchmark Nifty is down around 11 percent; the second most popular benchmark the Nifty Bank is down approximately 16 percent, the Nifty Midcap 100 is down around14 percent and the Nifty Smallcap 100 is down around 7 percent.

In strict technical terms, Indian markets are still some distance away from a bear market. However, if I may use the weatherman's phrase — the indices are in correction mode, but it feels like a bear market.

The tendency of the benchmark Nifty in the past one month indicates that the markets are putting up a strong resistance against the persistent selling pressure. So far a precipitous fall has been avoided; and the trends are not showing that Nifty will give up its resistance anytime soon. However, the same cannot be said, with as much assurance, about small cap stocks, where the probability of a sharp earnings downgrades (basically normalization of irrational exuberance) is decent.

One clear sign that the markets may not be anywhere close to entering the bear territory is the outperformance of cyclicals like metals, energy, textile, sugar, automobile etc. over the defensive Pharma, IT services and FMCG. Even if we look at stock specifics, the underperformance of traditional safe havens such as the HDFC group, Asian paints, Piddilite, Hindustan Unilever, Colgate, MNC Pharma, etc. indicates enduring risk appetite.

It could be argued that these safe havens are bearing the brunt of heavy FPI selling. But this argument may not fully sustain, since most domestic funds also like and own these stocks. They have, however, preferred to add cyclicals in their portfolios, indicating a higher risk appetite.

Another argument could be about valuation. Most of these safe havens were trading at relatively higher valuation, when raw material inflation and erosion of pricing power impacted their margins. A de-rating was therefore in order. This is a valid point but cannot fully explain the market trend. Most metal, textile and sugar stocks are also trading close to their peak margin and peak valuations. IT Services stocks have been sold heavily precisely on this logic.

Obviously, market participants in India are not in a risk-off mood as yet. How long this trend will continue is tough to predict at this point in time as the situation is too fluid and the negative factors clearly outweigh the positive factors.

The indices may get confined in a narrow range and market breadth may also narrow down materially. The market activity that got spread out to 1200-1300 stocks in the past couple of years may be restricted to 200-250 stocks.

The compounders or the boring safe havens are offering a decent valuation now after the correction. These may find favour again. A few good men in the broader markets may get separated from the crowd of roguish boys and get the attention of the investors. There may be no clear sectoral trend. The leaders from all sectors may find favour.

The giant wheel (continuous upper circuits followed by lower circuits) and roller coaster (high volatility) that excites the traders may stop, until it starts operating again once the sentiments and finances of traders are repaired.

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