



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



Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
SPLITS	RamkrishnaForge	Old Fv 10 New fv 2	~	14-03-2022
SPLITS	Rajratan Global	Old Fv 10 New fv 2	~	15-03-2022
SPLITS	Alliance Integ	Old Fv 10 New fv 1	~	15-03-2022
SPLITS	DRC Systems	Old Fv 10 New fv 1	~	16-03-2022
Rights	ASM Tech	Rights Ratio 1:10	21-03-2022	17-03-2022
DIVIDEND	Jindal Steel	Interim 1300	17-03-2022	16-03-2022
DIVIDEND	Shriram City	Interim 270	17-03-2022	16-03-2022
DIVIDEND	Sun TV Network	Interim 100	21-03-2022	16-03-2022



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 16757.30 in Downside 15671.45.



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 16300 to 16100 possibility.

Bank Nifty in Upcoming week:-

Banknifty upside if not close above 36400 level then sell on rise trend down side level 33700 to 33000 possibility.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above / Below / Add HOLD	CMP as on 12.03.2022	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	BIRLACABLE(BUY)	HOLD 136	136	140.50			195
2	BDL(BUY)	AROUND 485	492		464		525
3	MAITHANALL (BUY)	AROUND 1196	1234		1190		1400

Commodity Market

COPPER:- Investors can buy in deep with sl 779 upside target 839 possibility.



CRUDEOIL:- Investors can buy in deep with sl 7850 upside target 8700-8800 possibility.



SILVER:- Investors can buy in deep with stop loss 67300 up side target will be 74000 possibility.



GOLD:- Investors can buy in deep with stop loss 51000 up side target will be 55000 possibility.

Currency Market (Cash Levels)

USDINR:- Investors can buy in deep with stop loss 75.50 up side target will be 77.00 to 78.00 possibility.



GBPINR: - Investors can buy in deep with stop loss 99.50 up side target will be 100.50 to 101.00 possibility.



EURINR :- Investors can buy in deep with stop loss 81.30 upside target will be 85.00 possibility.



JPYINR:- Investors can buy in deep with stop loss 64.50 down side target will be 66.50 possibility.



Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	75.00	75.50	76.59	77.00	78.00
GBPINR	99.00	99.50	100.15	100.50	101.00
EURINR	82.50	83.00	84.00	84.50	85.00
JPYINR	64.50	65.00	65.50	66.50	67.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.37
Three month Forward	0.62
Six month	1.42
One year	3.10

RBI reference Rates	
Currency	Rates
USD	76.43
GBP	100.06
Euro	84.08
100 Yen	65.51

WHY INVESTORS ARE MOVING TO INDEX FUNDS

The coronavirus pandemic has structurally changed our lives. The way we live, work and think has all changed. The time at home was also spent in reading, educating ourselves and contemplating. It is perhaps this awareness that is also reflected in the way we invest.

Over the last year, mutual fund investing has seen a visible change. Investors have moved from active investing to passive investing.

In an actively managed fund, an experienced fund manager takes all buying and selling decisions based on his outlook of the market. Whereas in a passive fund, also known as index funds, stocks are bought and sold based on their weightage in the index. Passive investing is done through exchange-traded funds (ETFs) that invest in the index and do not require close monitoring. These funds mimic the performance of the indices.

Data from the Association of Mutual Funds of India show that the number of folios in the index funds has more than doubled from 1.014 million in March 2021 to 2.342 million in February 2022.

Watching the changing investor preference, asset management companies in the country have launched new index funds. Almost all big asset management companies like HDFC, ICICI, Aditya Birla Sunlife and Nippon Life, among others, launched new funds to capitalise on the change in investing patterns.

So, what led to this change in investing style?

One reason is the change in investor profile. Fintechs have gained market share in mutual fund distribution over the last few years attracting millennials to join the market for the first time. These tech-savvy investors could compare the difference in returns and cost between active and passive funds with the click of a button. Decision making then was not difficult.

Historically, most actively managed funds have underperformed their benchmark indices. A SPIVA India report comparing the performance of the active and passive fund shows that over one year, 86.21 percent of actively managed large-cap funds underperformed the index. And over five years, 82.7 percent of the funds underperformed.

The underperformance is visible in the bond market also where 97.87 percent of the funds underperformed the Composite Bond Index over five years. If one adds the cost involved in investing, the underperformance increases. A passive fund has an expense ratio of 6-20 basis points, whereas an actively managed fund costs around 60-125 basis points. In case of new funds or funds with a new sectoral theme like the ESG (Environment, Social and Governance) funds, the cost increases to over 200 basis points, closer to the maximum slab permissible. All the funds in this space have underperformed their benchmark index.

Over a longer term period, the compounding effect of this seemingly small cost results in a big dent in the returns for the investor.

For the asset management companies, the tectonic shift from actively managed funds to the passive funds is hurting their income. But they are to be blamed for this shift. Better performance by their fund managers would have prevented the shift.

Those investors who could calculate and see the difference in returns after including costs involved have smartly moved to passive funds. If underperformance of active funds continues, active funds will have a tough time justifying their existence.

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