



## Market News

Campus Activewear IPO, which received highest subscription among IPOs announced so far in 2022, will announce the allotment status for its issue next week.

The maiden public offering of leading sports and athleisure footwear brand received an overwhelming response from investors, getting subscribed 51.75 times during April 26-28. Qualified institutional investors were at the fore with their allotted quota being subscribed 152.04 times, followed by non-institutional investors who bid for shares 22.25 times the reserved portion. Retail investors bought shares 7.68 times the allotted quota and that of employees' portion was subscribed 2.11 times.

IndusInd Bank on April 29 reported a growth of 51.2 percent year-on-year in its consolidated profit after tax (PAT) of Rs 1,400.5 crore as compared to Rs 926.07 crore profit registered during the same period last year. On a sequential basis, the profit has inched up 12.8 percent from Rs 1,241.39 crore logged during the October-December period.

The Net Interest Income (NII) (difference between the interest earned and interest expensed) for the private sector lender rose 12.7 percent on year to Rs 3,985 crore as compared to the NII of Rs 3,534.61 crore registered in the year ago quarter. On a sequential basis, the NII is higher by 5.1 percent from the NII of Rs 3,793.51 crore recorded in the previous quarter.

Maruti Suzuki India Limited (Maruti), the largest passenger vehicle manufacturer in India, on April 29 reported a growth of 51 percent year-on-year in its consolidated profit after tax (PAT) at Rs 1,876 crore as compared to Rs 1,241 crore registered in the corresponding quarter of the previous fiscal. On a sequential basis, the profit inched up 80 percent from Rs 1,042 crore logged during the October-December quarter.

The consolidated revenue for the company rose 11 percent on-year to Rs 26,749 crore as compared to Rs 24,035 crore registered in the year-ago quarter. On a sequential basis, the revenue was higher by 15 percent from Rs 23,253 crore recorded in the previous quarter.

Axis Bank, one of the largest private sector lenders in India, reported on April 28 a massive 54 percent year-on-year growth in standalone profit for the quarter ended March 2022, largely driven by significant fall in provisions and improved asset quality performance.

Profit increased to Rs 4,117.8 crore during the quarter, compared to Rs 2,677 crore in same period last year, the bank said in its BSE filing.

Net interest income, the difference between interest earned and interest expensed, grew by 16.7 percent year-on-year to Rs 8,819 crore with credit growth of 15 percent and deposits growth of 19 percent for March 2022 quarter.

## Results & Corporate Action

Result Calendar	
Date	Company Name
02 May 2022	M&MFIN,APLLTD,HDFC, BRITANNIA
03 May 2022	HEROMOTOCO,TITAN, GODREJPROP,ADANIENT, TATASTEEL
04 May 2022	RAIN,HAVELLS,KOTAKBANK, TATACONSUM,OFSS,DEEPAKNTR ABB
05 May 2022	DABUR,EXIDEIND,INTELLECT MARICO,FSL,INDUSTOWER, CHOLAFIN,TVSMOTOR,VOLTAS
06 May 2022	CANBK,FEDRALBNK, TATAPOWER

				
Corporate Action	Company Name	Type & Percentage	Record Date	Ex-Date
DIVIDEND	Foseco India	Final 250	~	02-05-2022
DIVIDEND	Sarda Energy	Interim 75	06-05-2022	05-05-2022
DIVIDEND	Colgate	Interim 2100	07-05-2022	05-05-2022
DIVIDEND	Vedanta	Interim 3150	09-05-2022	06-05-2022
DIVIDEND	CRISIL	Interim 700	09-05-2022	06-05-2022



Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 17377.65 in Downside 16888.70.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty upside 17450-550 is supply zone , down side 16800 is strong support.

Bank Nifty in Upcoming week:-

Banknifty upside 37100 to 37500 is supply zone down side 35500 to 35000 is strong support.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above Below/Add HOLD	CMP as on 30.04.2022	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	ARCHIDPLY (BUY)	CMP 59	59		53		74
2	GENUSPOWER(BUY)	HOLD 79.50	103.50	95			125
3	MANALIPEC (BUY)	HOLD 115	141	120			175

# Commodity Market

**COPPER:-** Investors can sell on rise with sl 821 down side target 764 possibility.



**CRUDEOIL:-** Investors can sell on rise with sl 8500 down side target 7200 possibility.



**SILVER:-** Investors can buy in deep around 63000 with stop loss 62000 up side target will be 67400 possibility.



**GOLD:-** Investors can sell on rise with stop loss 52700 down side target will be 50500 possibility.



# Currency Market (Cash Levels)

**USDINR:-** Investors can sell on rise with stop loss 77.20 down side target will be 75.95 possibility.



**GBPINR: -** Investors can sell on rise with stop loss 97.00 down side target will be 94.50 possibility.

**EURINR :-** Investors can sell on rise with stop loss 81.30 down side target will be 79.40 possibility.



**JPYINR:-** Investors can buy in deep around 58.60 with sl 58.00 upside target 60.40 possibility.

Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	75.50	75.95	76.43	76.75	77.00
GBPINR	94.00	95.00	96.00	97.00	98.00
EURINR	79.50	80.00	80.85	81.30	82.20
JPYINR	57.50	58.00	58.72	60.00	60.40

## Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.26
Three month Forward	0.50
Six month	1.30
One year	2.99

RBI reference Rates	
Currency	Rates
USD	76.42
GBP	95.70
Euro	80.58
100 Yen	58.66

## **THREE POINTS ON WHICH LIC IPO NEEDS TO BE EVALUATED**

The government is making an offer for sale (OFS) for 3.5 percent stake in the Life Insurance Corporation of India (LIC). At Rs 902, the lower point of the price band fixed for OFS, the LIC will be valued at Rs 5.7 trillion. At this valuation it will be the fifth-largest publicly-listed Indian entity.

The OFS will yield Rs 199.7 billion to the government, about 30.6 percent of the total disinvestment target of Rs 650 billion fixed for FY23. The government has apparently cut the offer size from 5 percent announced in February to 3.5 percent, considering the jittery market conditions. We shall therefore see multiple follow-on offers from the government in the coming years.

Ten percent of the shares offered for sale are reserved for LIC policyholders; and 0.7 percent shares are reserved for LIC employees; 31.25 percent of the offer is reserved for household (retail) investors. Applicants from these categories will get a discount of Rs 45 (Rs 60 for policyholders) on the actual offer price. For all these categories the maximum application is restricted to Rs 2 lakh; implying 230-odd shares at lower price band after discount.

LIC is an important national institution. In fact, till 2000, it was the only life insurer in India. Even after 22 years of the entry of private players in the business, LIC enjoys over 60 percent market share in the life insurance business. On the basis of gross premium underwritten, LIC is the fifth-largest life insurer in the world. Over 1.3 million individuals work as LIC agents, making it one of the largest employment providers in the country. LIC manages over Rs 40 trillion in financial assets, which is more than the combined AUM of the entire asset management industry of India. LIC owns (on the behalf of its stakeholders) about 4 percent of NSE market capitalisation. Besides SBI, LIC is perhaps the only truly pan India financial services brand. LIC is used as a generic term for life insurance in India. No surprise that LIC has been widely recognised as one of the most-trusted Indian brands.

Considering the magnitude of the proposition, the decision to invest in LIC looks pretty simple, and straightforward. Numerous reports have been published highlighting the large size, financial details, relatively cheaper valuations, and growth prospects of the LIC. However, the LIC OFS needs to be evaluated from the following three viewpoints:

LIC is a statutory corporation established under the Life Insurance Corporation Act, 1956. Besides the nationalised banks, it will be the first non-company to be listed on the Indian stock exchanges. The financial market regulators RBI and SEBI have limited jurisdiction over LIC. It is also outside the purview of the registrar of companies and NCLT. The affairs of LIC may not be as transparent as other financial services companies. Besides, the accounting methods followed by LIC may or may not be fully compliant with the generally accepted accounting principles (GAAPs).

Like all other public sector enterprises, LIC may also be subject to government intervention in routine affairs like appointment of key managerial personnel, investments, introduction and/or withdrawal of products, pricing of products, etc.

Since 2000, when the private insurers were first allowed in India, LIC has been consistently losing market share. With the popularity of digital sales channels and expansion of bank branch networks of SBI, HDFC, ICICI, it is likely that this trend may continue for many more years.

I would therefore recount my experiences of investment in Coal India (coal mining monopoly), ONGC (oil and gas exploration and production monopoly) and NTPC (power generation monopoly) at the time of listing; and also UTI (asset management monopoly) which went bankrupt due to government intervention in its investment process and pricing of products.

I shall not get influenced by the 'cheaper valuation offered' argument, because LIC deserves to be valued cheaply than professionally-managed, well-regulated, and transparent insurers; just like public sector enterprises (including banks).

I will not regret if LIC gets listed at a significant premium to the OFS price, since many institutional investors will be compelled to include it in their portfolios due to sheer size of the corporation, and likelihood of inclusion in benchmark indices.

**Do your own due diligence after reading this article, Market-Hub Recommendation: SUBSCRIBE for long term.**

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