



Market News

KFin Technologies IPO

KFin Technologies, a technology-driven financial services platform, on December 16 garnered Rs 675 crore from anchor investors, ahead of public issue.

The company in its BSE filing said after consultation with merchant bankers, it has finalised allocation of 1.84 crore shares to anchor investors at Rs 366 per equity share, the upper end of price band.

Total 44 investors bought 1.84 crore shares via anchor book, including Goldman Sachs Funds, Carmignac Portfolio, Aberdeen Standard SICAV, Pinebridge Global Funds, Pari Washington India Master Fund, Citigroup Global Markets Mauritius, Morgan Stanley, and Copthall Mauritius Investment.

The share price of GMM Pfadler declined over 16 percent in the morning trade on December 16 after 16 percent of the company's equity changed hands in a block trade. It was earlier reported that promoter Pfadler Inc was looking to sell 30

percent stake in the company for Rs 2,283 crore. This implies a part of the stake sale was completed during the block deal window. Multiple other large trades in the counter followed.

Despite an entire year of volatility, uncertainty has not settled for crude oil. According to the Moneycontrol poll, the price of crude will be majorly impacted by low demand or recession fears

Oil prices rose in early Asian trade on Friday after falling 2% in the previous session on central bank interest rates hikes, and is poised to end the week higher after a series of positive oil demand forecasts.

Brent crude futures rose 36 cents or 0.4% to \$81.57 per barrel by 0109 GMT. West Texas Intermediate futures rose 25 cents, or 0.3%, to \$76.36 per barrel. The price of gold slid on Thursday in international markets as investors resorted to profit booking after the US Federal Reserve gave no signs of a pause in interest rate hikes while increasing the key policy rate by half a percentage point.

Results & Corporate Action



Corporate Action only for information	Company Name	Type & Percentage	Record Date	Ex-Date
BONUS	Sarthak Ind	Bonus Ratio 1:3	20-12-2022	20-12-2022
BONUS	Sheela Foam	Bonus Ratio 1:1	22-12-2022	21-12-2022
BONUS	Precision Wires	Bonus Ratio 1:2	22-12-2022	22-12-2022
BONUS	ZIM Lab	Bonus Ratio 2:1	22-12-2022	22-12-2022
RIGHTS	Quint Digital	Rights Ratio 42:37 FV10 premium 40	22-12-2022	22-12-2022

Nifty Spot in Last Week:-

As we saw the Price Movement in Nifty Spot in last week that In Upside is 18696.10 in Downside 18255.15.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

Nifty Spot in Upcoming Week:-

Nifty up side strong supply zone 18600 to 18700 down side strong demand zone 18190 to 18000.

Bank Nifty in Upcoming week:-

Banknifty up side strong supply zone 43700 to 44100 down side strong demand zone 42900 to 42500.

Recommendation for next week

Serial No.	Stock Name Cash segment	Above Below Add HOLD	CMP as on 17.12.2022	Trail SL	Buy Stop loss	Sell Stop loss	Target
1	MAHINDCIE (BUY)	AROUND 310	326		300		400
2	L&TFH (BUY)	HOLD 90	91.45		82		113
3	COROMANDEL (BUY)	HOLD 935	943		905		995-1030

Commodity Market

COPPER:- Investors can sell on rise with sl 720 down side target 694 possibility.



CRUDEOIL:- Investors can sell on rise with sl 6800 down side target 5700-5600 possibility.



SILVER:- Investors can buy in deep with stop loss 63000 up side target will be 69500 possibility.



GOLD:- Investors can buy in deep with stop loss 52800 up side target will be 55100 possibility.



Currency Market (Cash Levels)

USDINR:- Investors can sell on rise 82.80 TO 83.00 range with sl 83.40 down side target 82.00 to 81.30 possibility, Investors can buy in deep around 80.15 with stop loss of 79.70 up side target will be 82.00 possibility.



GBPINR: - Investors can sell on rise 102.00 to 103.00 range with sl 104.10 down side target 96.00 possibility, Investors can buy in deep around 96.00 with stop loss of 95.00 up side target will be 100.00 possibility.

EURINR:- Investors can sell on rise 89.00 to 90.00 range with sl 91.20 down side target 86.00 possibility, Investors can buy in deep around 85.00 with stop loss of 84.00 up side target will be 88.00 possibility.



JPYINR:- Investors can sell rise with stop loss of 63.00 down side target will be 58.60 possibility.

Currency CASH LEVEL	DEMAND ZONE LEVEL		CLOSE	SUPPLY ZONE LEVEL	
	D2	D1		S1	S2
USDINR	81.00	82.00	82.86	83.00	84.00
GBPINR	98.00	100.00	100.77	101.50	102.00
EURINR	86.00	87.50	88.22	89.00	90.00
JPYINR	57.00	59.00	60.50	61.50	63.00

Currency Corner

Premium / Discount (USD/ INR) Based on Forward Rates	
Duration	Premium
One month Forward	0.14
Three month Forward	0.40
Six month	0.81
One year	1.61

RBI reference Rates	
Currency	Rates
USD	82.82
GBP	101.19
Euro	88.26
100 Yen	60.35

Saurabh Mukherjea reaffirms faith in his investment strategy amid rough patch

Often the market makes irrational move. Crazy, it rewards the underperforming companies and ignores the sound ones. At such time, the fund manager's conviction is being tested. One recent incidence is with our most respected Mr. Saurabh Mukherjea (of Marcellus). The article appeared on Live mint (<https://www.livemint.com/money/personal-finance/saurabh-mukherjea-reaffirms-faith-in-his-investment-strategy-amid-rough-patch-11669900015201.html>)

The Rising Giant's portfolio from Marcellus PMS, has underperformed steeply since inception, when compared to its benchmark – BSE 500 Total Return Index (TRI).

This portfolio which primarily invests in 15-20 mid-cap companies delivered negative 15% return as of October 2022 since its inception in December 2021. This is against about 7% return generated by the benchmark during the same period. Even the Nifty Mid-cap 150 Index TRI reported about 6% return in the given period. Though less than one-year is a short span of time to evaluate the performance of any equity fund, the expectation on the PMS house, founded by Saurabh Mukherjea (popularly known for his coffee-can style of investing), to deliver higher returns over benchmark across all timeframes, made critics take note of the severe underperformance.

Marcellus has been struggling with the performance in the last one to two years across all schemes. The PMS house, in its newsletter released on November 15, 2022, made a passing comment that the resilient companies (entities with high return on capital, high incremental margin) that the scheme invests in are "less optimised on maximising short-term returns". It further added that those companies are more focused on their ability to

adapt and evolve to changing conditions, surviving and even capitalising upon extreme events.

In an interview with Mint, Mukherjea said, "we understood the risks that war between Russia and Ukraine posed to us (portfolio). But our view has been that the war and high interest rate scenario is not going to be a permanent state of affair. Thus, we stayed invested across our portfolios in the same style of investing."

Here, we look at the investment strategy of the Rising Giant's portfolio as highlighted in their newsletter. The fund divided the portfolio into two components, which it calls as - resilience and optionality.

Two categories

Resilient companies are defined as those that generally high return on capital, high incremental margin, recurring revenue, cash generative businesses.

These companies are designed to be core part of the portfolio with holdings such as Astral, a plastics pipe company, GMM Pfaudler that supplies chemical process equipment, Aavas in the lending business of the affordable housing segment, Info Edge's with Naukri.com as its vertical and Dr Lal PathLabs, a healthcare company. The PMS house believes that these companies have strong moats which would be very challenging for competitors to replicate.

When it comes to 'optionality' investments, the scheme refers to high growth net cash businesses which can deliver higher returns with minimum investment. As per the newsletter, this category of companies decentralized responsibilities with strong and focused business heads to scale up new business initiatives.

The newsletter also quoted a few examples such as Suprajit Engineering with N S Mohan as the MD and Group CEO responsible for all the operational matters including the subsidiaries.

"Cholamandalam Investment and Finance Co has added three new product categories including SME loans, consumer & business loans - with separate heads to run each vertical independently while the group's senior management looks at overall strategy and capital allocation decisions," the newsletter further added.

Maximum drawdown

On asking the acceptable drawdown by a fund manager in extreme scenarios, Mukherjea added – “during the Lehman drawdown starting January through to November 2008, the drawdown was 55-60% for many large cap Indian mutual funds which were there for around 10 years at that point. Should they have wound up after having suffered a drawdown? I’m glad that they didn’t because it proved to be a temporary period. Within one and a half years, they were back to square one. Similarly, if we look at January to March 2020, the Indian market fell 35%. Even then, you will find several large cap mutual funds fell 30 to 40%. Those mutual funds have been around for 20-25 years. Should they have dropped out of contention in March 2020? I don’t think so. I don’t think fund managers should lose sleep when events like COVID create drawdown. In fact, the skill of a fund manager is to buy heavily in the drawdown. The skill of this job is buying more when the stock is coming off, rather than getting very emotional about drawdowns. We get paid to stay rational when other people are getting emotional.”

Give time

According to Santosh Joseph, founder of ‘Refolio Investments’ that offers distribution of Portfolio Management Services, investors in this scheme need not worry looking at the short-term performance of the fund. He believes that the fund is best placed to take advantage of the growth opportunities in India.

“The Marcellus Rising Giant story is essentially a nicely packaged midcap strategy with big bet on India and the next generation of leaders in the stock markets and potential multi baggers. The Rising Giants strategy will probably need time to fructify. Existing investors need not worry or panic. When you have fundamentals in order, the stock price action could be delayed but you will reap the benefits in the long-run,” Joseph added.

HEAD OFFICE

B/230-231, International Trade Center, Majura Gate, Ring Road, Surat-2.(Guj.) India Ph: 0261- 40 60 750, 246 27 90
Fax : 0261-246 27 91 www.markethubonline.com E-Mail : info@markethubonline.com

IA SEBI Registration no.:INA000005333

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