

## Market News

Vedanta Oil & Gas, India's largest private oil and gas exploration and production company, holds over a quarter of the country's domestic crude oil production. Positioned to benefit from India's anticipated 50 percent growth in demand by 2030, the company aims to contribute 50 percent of India's total oil and gas production by diversifying its reserves. Their extensive footprint spans 65,000 square kilometers with more than 1.1 billion barrels of oil equivalent in gross 2P and 2C resources.

Vedanta Power consolidates Vedanta's Independent Power Plants, including the 1980 MW Talwandi Sabo Power Limited (TSPL) in Punjab, India, the 600-MW Jharsuguda plant, the recently acquired 1200-MW Athena plant, and the ongoing acquisition of the 1000-MW Meenakshi plant. In total, this business will have nearly 5 GW of capacity upon completion. Sterling and Wilson Renewable Energy shares were trading 3 percent higher on September 29 after the company announced an order-win of Rs 1,535 crore from NTPC Renewable Energy for engineering,

procurement and construction at Khavda Renewable Energy Power Park in Rann of Kutch, Gujarat. "This is the third order for the company from NTPC Renewable Energy (NTPC-RE) in just over a year. The new order win for the project with a capacity of 300 megawatt alternating current complements our existing portfolio of 2.47 gigawatt alternating current presently under execution for NTPC-RE in Khavda. It also helps us leverage the low module price environment globally," said Amit Jain, Global CEO of the company. Shares of Ashok Leyland jumped nearly 2 percent intraday on September 29 after bagging orders for 1,282 buses from Gujarat State Road Transport Corporation (GSRTC). At 12:38pm, the Ashok Leyland stock was trading 1.67 percent higher at Rs 177.10 on the NSE. Ashok Leyland, the Indian flagship of the Hinduja Group and the country's leading commercial vehicle manufacturer, on September 29 announced through a BSE filing that it has bagged an order for 1,282 fully built buses from GSRTC.

| Corporate Action | Company        | Type & Percentage     | Record Date | Ex-Date    |
|------------------|----------------|-----------------------|-------------|------------|
| Bonus            | Yug Decor      | Bonus Ratio 15:100    | 05-10-2023  | 05-10-2023 |
| Splits           | Surya Roshni   | Old FV 10<br>New FV 5 | 06-10-2023  | 06-10-2023 |
| Dividend         | Focus Lighting | Old FV 10<br>New FV 2 | 06-10-2023  | 06-10-2023 |
| Dividend         | Accelya        | Final 300.00          | 06-10-2023  | 06-10-2023 |

## Nifty Spot in Last Week:

As we saw the Price Movement in Nifty Spot in last week that In Upside is 19766.65  
in Downside 19492.10.



NIFTY WEEKLY CHART



BANKNIFTY WEEKLY CHART

## Nifty Spot in Upcoming Week:

Nifty 19490 is important level strong support up side 19900 level is resistance.

## Bank Nifty in Upcoming week:

Bank Nifty up side 45250 is resistance down side 43300 is strong support.

## Recommendation for next week

| Serial No. | Stock Name<br>Cash segment | Above/Below/Add<br>HOLD | CMP as on<br>30.09.2023 | Trail SL | Buy<br>Stop<br>loss | Sell<br>Stop<br>loss | Target |
|------------|----------------------------|-------------------------|-------------------------|----------|---------------------|----------------------|--------|
| 1          | IEX (BUY)                  | AROUND 127.50           | 131                     |          | 125                 |                      | 140    |
| 2          | AARTIIND(BUY)              | AROUND 475-80           | 491                     |          | 455                 |                      | 550    |
| 3          | LALPATHLAB(BUY)            | AROUND 2475             | 2524                    |          | 176                 |                      | 240    |
| 4          | GRANULES(BUY)              | HOLD 336                | 354                     | 320      |                     |                      | 375    |

# Commodity Market

**COPPER:-** :- Investors can sell around 745 with sl 755 down side target will be 692 possibility.



**CRUDEOIL:-** Investors can sell on rise around level 7800 with stop loss 7878 down side target will be to 7350 possibility.



**SILVER:-** Investors can buy in deep around level 68100 with stop loss 67500 up side target will be to 73000 possibility.



**GOLD:-** Investors can sell on rise around level 59100 with stop loss 59500 up side target will be to 56600 possibility.

# Currency Market (Cash Levels)

**USDINR:-** down side 81.50 is strong support, sell on rise around 83.40 range with sl 83.60 down side target 82.00 to 81.50 possibility.



**GBPINR: -** Investors can sell on rise around 103.50 to 103.80 range with sl 104.25 down side target 99.85 possibility.

**EURINR:-** Down side 87.90 is strong support if close below this level then down side target 86.60 possibility.



**JPYINR:-** buy on every deep add 55.60 to 54.60 with sl 53.30 target 60.00 to 61.00 possibility.

| Currency<br>CASH<br>LEVEL | DEMAND<br>ZONE LEVEL |        | CLOSE  | SUPPLY<br>ZONE<br>LEVEL |        |
|---------------------------|----------------------|--------|--------|-------------------------|--------|
|                           | D2                   | D1     |        | S1                      | S2     |
| USDINR                    | 81.60                | 82.00  | 83.04  | 83.30                   | 83.50  |
| GBPINR                    | 99.85                | 101.00 | 101.82 | 102.50                  | 103.40 |
| EURINR                    | 86.00                | 87.00  | 88.15  | 89.20                   | 90.00  |
| JPYINR                    | 54.50                | 55.60  | 55.71  | 57.00                   | 58.00  |

| Premium / Discount<br>(USD/ INR) Based on<br>Forward Rates |         |
|--|---------|
| Duration   | Premium |
| One<br>month<br>Forward                                    | 0.10    |
| Three<br>month<br>Forward                                  | 0.19    |
| Six<br>month   | 0.49    |
| One year   | 1.30    |

| RBI reference Rates |        |
|---------------------|--------|
| Currency            | Rates  |
| USD                 | 83.06  |
| GBP                 | 101.67 |
| Euro                | 87.93  |
| 100 Yen             | 55.81  |



## Saurabh Mukherjea reaffirms faith in his investment strategy amid rough patch

Often the market makes irrational move. Crazily, 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.

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