



Date: 19<sup>th</sup> May 2022

Indian Market	18-May-22	Daily Change	
Indices	Close	Change	% Change
Nifty 50	16240.3	-19.00	-0.12%
BSE Sensex	54208.53	-109.94	-0.20%
Banknifty	34163.7	-138.20	-0.40%
Nifty Mid-Cap 100	28111.7	-61.20	-0.22%
Nifty Small-Cap 100	9158	-35.70	-0.39%
India VIX	22.30	-0.44	-1.93%

US Market	18-May-22	Daily Change	
Indices	Close	Change	% Change
Dow 30	31490.07	-1164.52	-3.57%
S&P 500	3923.68	-165.17	-4.04%
Nasdaq	11418.15	-566.37	-4.73%

Currency / Commodity	18-May-22
Indices	Current rate
USD/INR	77.6125
EUR/INR	81.5710
Dollar Index	103.832
US 10-year bond yield	2.895%
WTI Crude Oil	\$107.50
Brent Crude Oil	\$110.03
Gold (\$/Oz)	\$1,814.06
Bitcoin	\$28,871

FII / DII Activity	18-May-22	Rs. In Crores
Provisional	Buy	Sell
FII		1254.64
DII	375.61	
PCR	Current	Previous
Nifty	0.87	1.12
Banknifty	1.08	1.08

### Trade Setup & Morning cues

Indian market ended flat in a volatile session. Indices opened higher on back of Tuesday's day massive short covering rally.

RBI MPC meeting on 2 – 4 May 2022 minutes were released after market hours. War related inflation have started impacting policy of central banks globally.

Wall Street had a massive fall since March 2020, indices were down from 3.57% to 4.73%. US retailer TARGET Corp's disappointing result yesterday & Walmart result a day earlier had lower growth forecast on rising fuel prices.

**High inflation has started impacting corporate result and guidance of future growth remains a big challenge for stocks market. Fall in US market is reflecting & Indian domestic factor too reflect a similar kind of situation.**

### Technical View

**Nifty:** RSI @ 40.52 & RSI average @ 35.71, last 2 days RSI move from around 30 level to 40 after sharp rally on Tuesday. Nifty 12<sup>th</sup> & 13<sup>th</sup> May low around 15740 will remain key psychological level.

Nifty below 15780 (closing basis) will open further downside up to 15318 & 14800 in case of extreme move.

**Banknifty:** tested 34425 level yesterday which was 38.2% retracement of last fall from 36718 to 33007. Recent lows remain key support area from Banknifty.

**VIX @ 22.30:** We have mentioned several times VIX above 25 – market volatility could turn ugly. Today VIX likely to open around 25 and we do not rule of more ruthless move on Indices.

**Approach on Indices:** Play via hedge position or options long with limited loss strategy. Major volatility likely till 26-May-22 final F&O expiry.

### Market View & Stock in focus

**Market View:** High volatility is the best time to focus on capital protection. Try an increase cash level as inflation fear & its impact of profitability of companies may full show in next quarterly result. Increase cash level as per conviction.

**Stock in focus:** ITC, LUPIN, IGL, LICHSGFIN & PIDILITE will react to their earnings.

**We did mention yesterday also, so far in the month of May – correction is lead by global market and that trend may continue. If Nifty breaks 15740 – 15780 level which also happens to be March 2022 low post Russia-Ukraine crisis, worst volatility can't be rule out going into final week for May 2022 expiry series. SGX Nifty @ 15907.50 down 328 points at 8:05 AM.**

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