



6th May 2022

Indices

Global Market	05-May-22		
Indices	Close	Change	% Change
Dow 30	32997.97	1063.09	-3.12%
S&P 500	4146.87	-153.30	-3.56%
Nasdaq	12317.69	-647.16	-4.99%

Indian Market	05-May-22		
Indices	Close	Change	% Change
Nifty	16682.65	5.05	0.03%
Sensex	55702.23	33.20	0.06%
Banknifty	35232.85	-31.70	-0.09%

Trade Setup

- Indian market ended flat and gave up early gains, even weekly options expiry fails to hold on to market and indices closed near the low points of day.
- Bank of England – raise inflation target for FY22 to 10% from 5.75%. It triggered sell-off in global market.
- Wall Street – major indices were down from 3.12% to 4.99%. US Market witness relief rally / short covering post US Fed chairman Jerome Powell press conference.
- Reliance result today after market hours, so far trend in profit booking / decline on result outcome. Reliance going into result with high expectation.
- Development in last 2 – 3 days, market fear is getting approval of central banks globally and actions has started to tackle inflation.
- Bitcoin trading @ \$36485 down around 8%. Gold trading @ \$1871 down around \$30 from yesterday.
- US 10-year bond yield @ 3.080% & Dollar Index @ 103.763.
- WTI Crude Oil @ \$108.69 & Brent Crude Oil @ \$111.31.
- FII & DII activity on 5-May-22: FII sold 2074.74 crores & DII bought 2229.31 crores.
- Nifty PCR @ 0.88 compared to 0.65 previous. Nifty PCR reflects oversold zone, change PCR due to weekly expiry yesterday.
- SGX Nifty @ 16428.50 down 262.50 points at 8:10 AM.



Technical View

- **Nifty:** will open significantly below our first target of 16617, below this Nifty likely to test 16124 level. RSI @ 39.47 & RSI average @ 44.66, will turn sharply lower after today's opening. Nifty might get into oversold zone today with RSI near to 30 level.
- **Banknifty:** already at 35158, below this next level on lower side will be 34073. Overall trend remains downward with short term direction dependent on news flow from global & domestic market.
- **VIX @ 20.37:** Closed above 20 for 2nd straight day. We have mentioned many times and above 20 – its time to turn cautious. VIX above 24 – 25 level could bring wild move on Indices and its time to be prepared for such wild move.
- **Approaches on Nifty:** Today's fall in global market is lead by news of Bank of England raise its inflation for FY22 at 10%. It raises alarm in global financial market. Be prepared for Nifty to test 16124 & Banknifty to test 34073 in next 1 – 2 days.

US Fed decision was within expected line, but RBI & BOE have raised concern to highest level, it is not a surprise to market but confirmation by central bankers about tight monetary policy is triggering fresh sell-off in market.

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Equichain Wealth Advisors – SEBI registration number (RIA): INA000016472