

Date: 7th June 2022

Indian Market	06-Jun-22	Daily Change	
Indices	Close	Change	% Change
Nifty 50	16569.55	-14.75	-0.09%
BSE Sensex	55675.32	-93.91	-0.17%
Banknifty	35310.2	35.15	0.10%
Nifty Mid-Cap 100	27992.65	-30.70	-0.11%
Nifty Small-Cap 100	9115.9	-94.45	-1.03%
India VIX	20.20	0.22	1.10%

US Market	06-Jun-22	Daily Change	
Indices	Close	Change	% Change
Dow 30	32915.78	16.08	0.05%
S&P 500	4121.43	12.89	0.31%
Nasdaq	12061.37	48.64	0.40%

Currency / Commodity	06-Jun-22
Indices	Current rate
USD/INR	77.6300
EUR/INR	83.2390
India 10-yr G-Sec	7.4996
Dollar Index	102.615
US 10-year bond yield	3.056%
WTI Crude Oil	\$119.38
Brent Crude Oil	\$120.45
Gold (\$/Oz)	\$1,840.41
Bitcoin	\$29,403

FII / DII Activity	06-Jun-22	Rs. In Crores
Provisional	Buy	Sell
FII		2397.65
DII	1940	
PCR	Current	Previous
Nifty	0.94	0.97
Banknifty	0.71	0.63

Trade Setup & Morning cues

Indian market ended flat, with weak opening manage to turn flat and closed with minor loss. Cement stocks continue to witness selling pressure taking cues from Friday.

Wall Street ended mix with Growth stocks doing well, but inflation concerns are back in focus as Natural Gas prices hits record high @ \$9.384. US 10-year back above 3% and near to high in May 2022, currently @ 3.05%.

India in talk to increase import of Russian crude oil which comes at heavy discount. GRM near \$25. It may turn out to be blessing in disguise.

Defense ministry gave a go ahead to 76000 crore military upgrade projects. It will be big boost for domestic defense companies.

Banks urge RBI not raise CRR rate further, last CRR hike sucked 90k crore out of system, current surplus liquidity stands as 3.51 lakh crore. Any CRR hike would directly impact profitability of Banks.

SGX Nifty @ 16456 down 116 points at 7:55 AM

Technical View

Nifty: continue to trade in narrow range ahead of RBI event tomorrow. RSI @ 51.87 & RSI Average @ 49.59. Immediate support comes at 16366 and resistance at 16752.

Banknifty: Immediate support at 34860 & 34421 and resistance at 35722.

VIX @ 20.20: continue to trade in comfortable zone, any move above 22 if it happens – we will remain watchful.

Approach on Indices: Next decisive move is expected tomorrow post RBI MPC policy outcome. Till Nifty is holding 16366 & Banknifty @ 34860 – today's dip could be buying opportunity, but expect event base volatility.

Market View & Stock in focus

Defense stocks will be focus as Defense ministry approve 76k crore upgradation through indigenous companies. It could be big boost for domestic defense companies. Defense theme continue to remain robust – most of companies have order book 2x – 3 x of last year total Sales.

Going into trade on Tuesday, a day ahead of RBI MPC meeting outcome, we continue to believe RBI, ECB & US Fed event is crucial for any major move. Global risk-on / risk-off factor is again turning cautious. Dollar Index moving higher again & US 10-year bond yield back above 3% mark.

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