

2<sup>nd</sup> July 2022

## Subject: Indian market: Technical + Fundamental – Overview

Indian Market	01-Jul-22	Weekly Change		24-Jun-22
Indices	Close	Change	% Change	Close
Nifty 50	15752.05	52.80	0.34%	15699.25
BSE Sensex	52907.93	179.95	0.34%	52727.98
Banknifty	33539.45	-88.00	-0.26%	33627.45
Nifty Mid-Cap 100	26587.30	138.25	0.52%	26449.05
Nifty Small-Cap 100	8477.55	86.90	1.04%	8390.65
India VIX	21.25	0.70	3.41%	20.55
US Market	01-Jul-22	Weekly Change		24-Jun-22
Indices	Close	Change	% Change	Close
Dow 30	31097.26	-403.42	-1.28%	31500.68
S&P 500	3825.33	-86.41	-2.21%	3911.74
Nasdaq	11127.84	-479.78	-4.13%	11607.62

### Last week - review

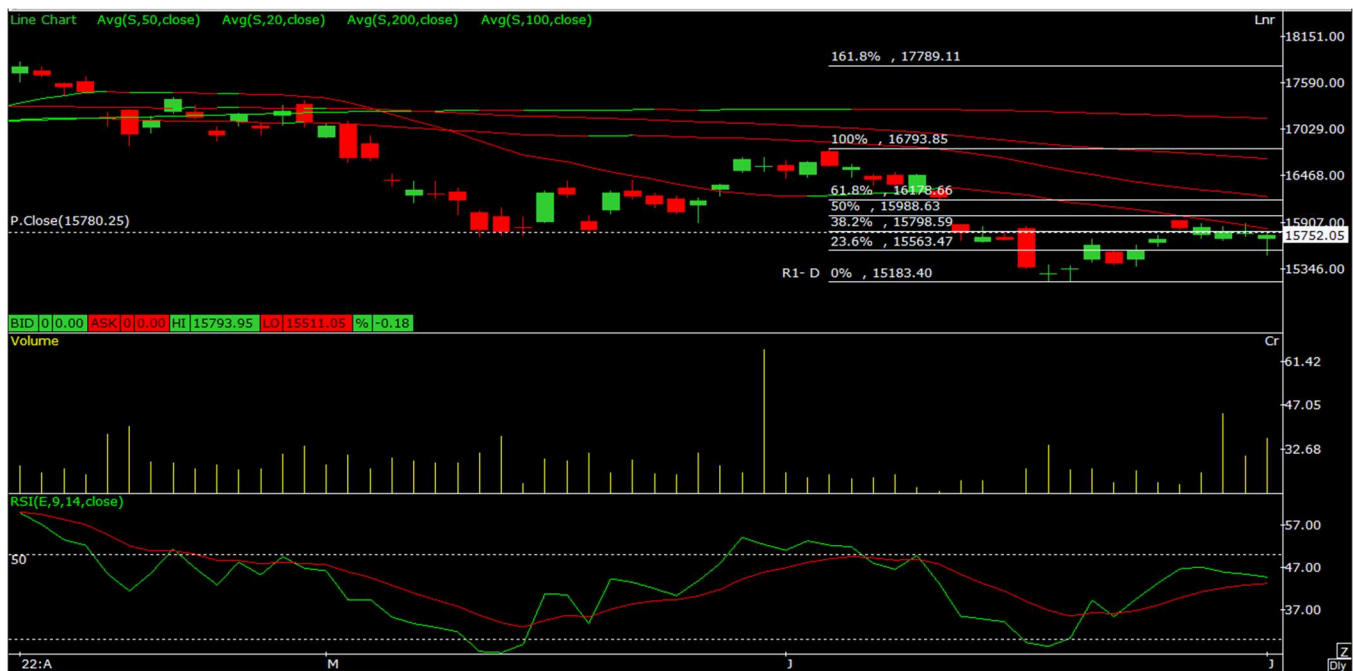
In our last week, we did mention Nifty support level at 15563 and resistance level and expected target at 16178. Nifty took support around 15563 on Friday but failed to achieve upper end of the target despite good start to week on back of positive global cues on last Friday.

With F&O expiry this week, market ended the week on flat with volatile swings but in range within 3% on indices.

Global market continues to drive Indian market as last week was dry as far as

domestic news was concern. India government slaps export duty on Petrol, Diesel and ATF directly impacting oil refiners and oil producers. Reliance, ONGC & OILINDIA were among key losers yesterday.

### Nifty 1-Jul-22 – Daily chart



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### Banknifty 1-Jul-22 Daily chart



### Technical Insight

- Nifty RSI @ 44.72 & RSI average @ 43.22. Nifty have taken support at 15563 this week – which keeps upside potential target for 16178 open.
- Nifty Friday's closing on 15752 near to key level of 15798. Breakout from range of 15563 to 15798 & 16178 will be interesting to watch out for.
- Banknifty RSI @ 45.63 & RSI average @ 42.80, immediate support at 33156 & 33007 remains critical while resistance 34124 & 34557.



**Approach on Technical:** Flat closing on weekly basis, chart indicates mix signal on Indices, but soon clear break-out on either direction is expected.

We will prefer to wait for clear direction rather than making assumption. VIX @ 21.25 continues to trade in range of 20 – 22, also indicates mix view of confused stage ahead of quarterly result season to begin from this week.

### Fundamental Insight

Windfall tax on oil companies. Export duty hiked on as government steps in, special excise duty of Rs. 6/- per litre and Rs. 13/- on diesel. Government imposed special additional duties on domestic production of petroleum crude of Rs. 23250/- per tonne and Rs. 6/- on turbine fuel.

Auto sales for month of June 2022. Robust monthly sales number for EICHERMOT, M&M, MARUTI, ASHOKLEY and TVSMOTORS. While HEROMOTOCO, BAJAJ-AUTO & TATAMOTORS monthly sales number were muted.

US JOLTS Jobs data & US FOMC meeting minutes to be released on Wednesday 6-Jul-22 will be important event to watch out for. US 10-year bond yield back below 3% mark, down from 3.48% around 14-Jun-22 – a day before US FOMC meeting outcome.

### Market View & Strategy

Technical are showing mix signal, now news flow & economic data will start coming from this week 4-Jul-22 to 8-Jul-22. US Market will remain close on 4-Jul-22 on their Independence Day.

We would like to focus on Banking and IT stocks this week. Banking stocks: RBI data released on 18-Jun-22, shows robust credit growth in a latest report released for fortnight ending on 3-Jun-22, quarterly business updates from HDFC twins and BAJAJ twins will provide further cues and we expect it to be positive. Hike in interest rate by RBI could have some negative impact on NBFC but Banks are in better position.

IT stocks continue to trade in narrow range even after Accenture Plc result on 23-Jun-22. INR at fresh life time low against dollar could boost their earning in Indian rupee, but CC (constant currency revenue) will be closely watched in this result season.



**Disclosure & Note:** Investor need to understand risk associated with F&O strategy, technical & other trading strategy before implementation and due risk assessment is required from client's end and prefer professional advice before executing.