

10th September 2022

Subject: Indian market: Technical + Fundamental – Overview

Indian Market	09-Sep-22	Weekly Change		02-Sep-22
Indices	Close	Change	% Change	Close
Nifty 50	17833.35	293.90	1.68%	17539.45
BSE Sensex	59793.14	989.81	1.68%	58803.33
Banknifty	40415.70	994.70	2.52%	39421.00
Nifty Mid-Cap 100	32035.90	633.60	2.02%	31402.30
Nifty Small-Cap 100	9936.35	319.30	3.32%	9617.05
India VIX	17.72	-1.83	-9.36%	19.55
US Market	09-Sep-22	Weekly Change		02-Sep-22
Indices	Close	Change	% Change	Close
Dow 30	32151.71	833.27	2.66%	31318.44
S&P 500	4067.36	143.10	3.65%	3924.26
Nasdaq	12112.31	481.45	4.14%	11630.86

Last week - review

We expect market to get decisive move and Indices have clearly given break-out on upside. Nifty closing above 17775 & Banknifty above 39786. Banknifty manage to cross above psychological level of 40000 and highest weekly closing for Banknifty.

ECB raised key interest rate by 75-bps, in-line with market expectation. US Fed chair Jerome Powell speech on 8-Sep-22, reiterated its stance of hawkish stance as was mentioned in Jackson Hole Symposium. Market reacted positively as mostly this news were factored in. Crude oil down and currently trading around level seen before Russia-Ukraine crisis began.

Nifty 9-Sep-22 – Daily chart



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Banknifty 9-Sep-22 Daily chart



Technical Insight

- Nifty RSI @ 62.57 & RSI average @ 60.42. Nifty closing above trend line resistance at 17775 will now open further upside to 17968 & 18134 level.
- RSI above 50 & below 70, trading, indicating strong but could consolidate in narrow range. Nifty range seen for next week is 17603 to 18134.
- Banknifty RSI @ 68.02 & RSI average @ 64.96. Banknifty range for next week 40086 to 41406.
- Banknifty closes at 40415, highest weekly closing ever opens up further upside over a longer period of time.



Approach on Technical: In last 2-week, Nifty was up 1.56% and Banknifty was up 3.66% compared to 26-Aug-22 close with 9-Sep-22.

Technical are very strong and indicate further upside but consolidation at current level could be healthy. Major event for market is on 21-Sep-22, US FOMC meeting, Indian market will react to it on 22-Sep-22.

Fundamental Insight

India's forex reserve falls to 23 months low: forex reserve down to \$553.10 billion, down \$ 7.94 billion over past week. RBI intervention to limit the INR slide against the dollar would have led to decline in India's forex reserve.

Direct Tax Collection Surges By 35% To Rs 6.48 Lakh Crore: Direct tax collection, net of refunds, stands at Rs 5.29 lakh crore which is 30.17% higher than the net collections for the corresponding period of last year, according to the data released by the Income Tax Department.

The country recorded a GDP growth of 13.5% during the first quarter ended on June 30, 2022.

Russia's Exclusion May Pave Way for India into Global Bond Index: Morgan Stanley expects an announcement that India will be included in JPMorgan & Chase Co.'s emerging markets bond index as early as mid-September with the actual entry in the third quarter next year.

Goldman Sachs Group Inc. sees that announcement coming in the fourth quarter this year and inclusion in the second or third quarter in 2023.

Both expect India's weight at 10%, the maximum for a country in the index, and potential inflows of \$30 billion from the move.

India Considers New Coal Imports As Energy Supply Concern Grows: Stockpiles of the fossil fuel at power plants have fallen about 11% since mid-August, meaning utilities have an average of 10-days' supply, well below required levels of more than three weeks. Coal helps produce about 70% of India's electricity.

Equichain Wealth Advisors: Opinion & View

Global market bounce back from lows and weekly positive closing for Wall Street after more than 3 weeks is a much-needed relief. ECB meeting outcome & US Fed chair Jerome Powell speech reiterated their earlier stance.

Market had factored in 75-bps hike by US Fed in upcoming meeting on 20 – 21 September 2022. US CPI & Core CPI data on 13-Sep-22. US PPI & Core PPI data on 14-Sep-22 & Retail sales & Core Retail sales on 15-Sep-22 will be key data released due this week.

Market View & Strategy

Indices have given fresh break out of the range, does open upside potential of Indices hitting fresh 52-week high. Next week could be sideways as we expect some profit booking at higher level.

Market breath continue to remain strong and Mid-cap & Small-cap companies will continue to do well with strong corporate earnings last quarter and expectation of earnings momentum to continue.



Our strategy this week would be to book part profit on rise as we see market seeing some volatility increasing but continue to remain in narrow range. Banking remains our top picks, domestic economy companies such as infrastructure, consumption, telecom & banking will provide entry opportunity on any correction. IT companies and companies with exposure to US & Europe would remain under pressure.

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.