

17<sup>th</sup> September 2022

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

Indian Market	16-Sep-22	Weekly Change		09-Sep-22
Indices	Close	Change	% Change	Close
Nifty 50	17530.85	-302.50	-1.70%	17833.35
BSE Sensex	58840.79	-952.35	-1.59%	59793.14
Banknifty	40776.80	361.10	0.89%	40415.70
Nifty Mid-Cap 100	31494.90	-541.00	-1.69%	32035.90
Nifty Small-Cap 100	9817.00	-119.35	-1.20%	9936.35
India VIX	19.82	2.10	11.85%	17.72
US Market	16-Sep-22	Weekly Change		09-Sep-22
Indices	Close	Change	% Change	Close
Dow 30	30822.42	-1329.29	-4.13%	32151.71
S&P 500	3873.33	-194.03	-4.77%	4067.36
Nasdaq	11448.4	-663.91	-5.48%	12112.31

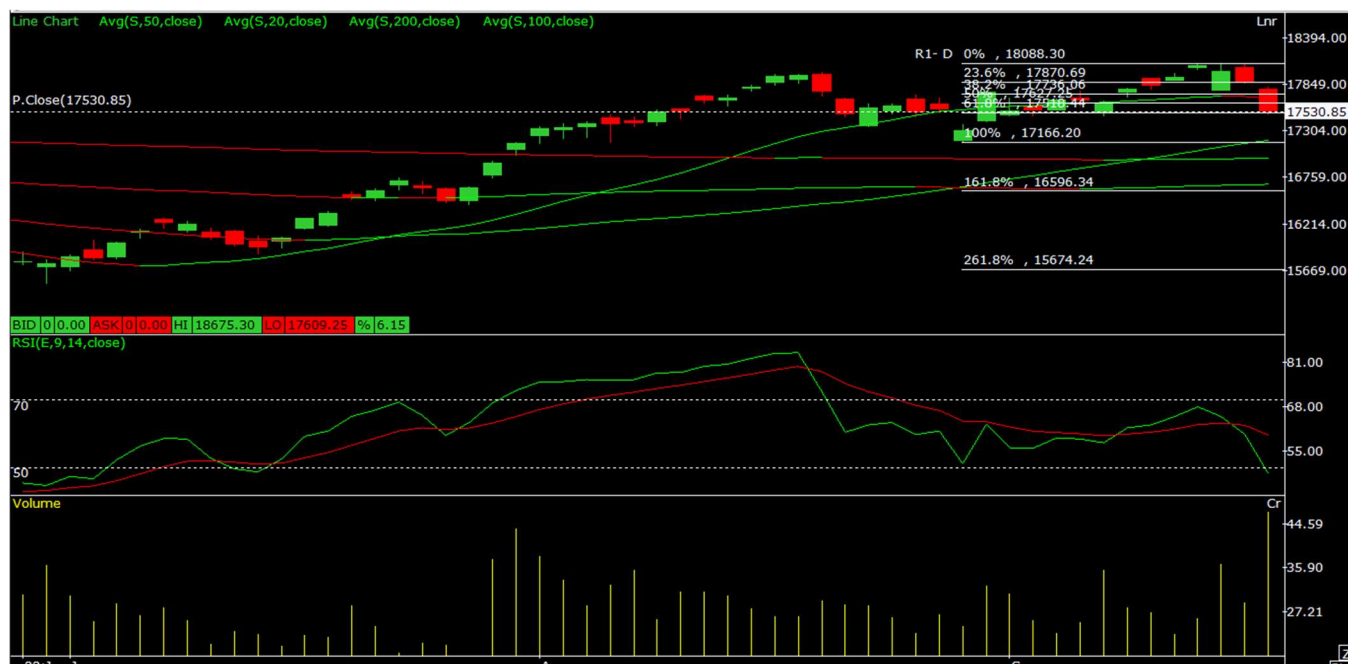
### Last week - review

Nifty almost tested 18134 level, weekly high was just below 18100 and Banknifty convincingly crossed 41406 level on intraday basis.

De-coupling debate / discussion of Indian market is getting momentum as domestic economy stocks outperformed during the week, but witness some correction on Friday. Mid-cap & Small-cap stocks are seeing some profit booking later in the week while global economy stocks such as IT & Metal continue to underperform. VIX

closed at 19.82 on Friday, seeing some built in risk premium ahead of US FOMC meeting on 21-Sep-22.

### Nifty 16-Sep-22 – Daily chart



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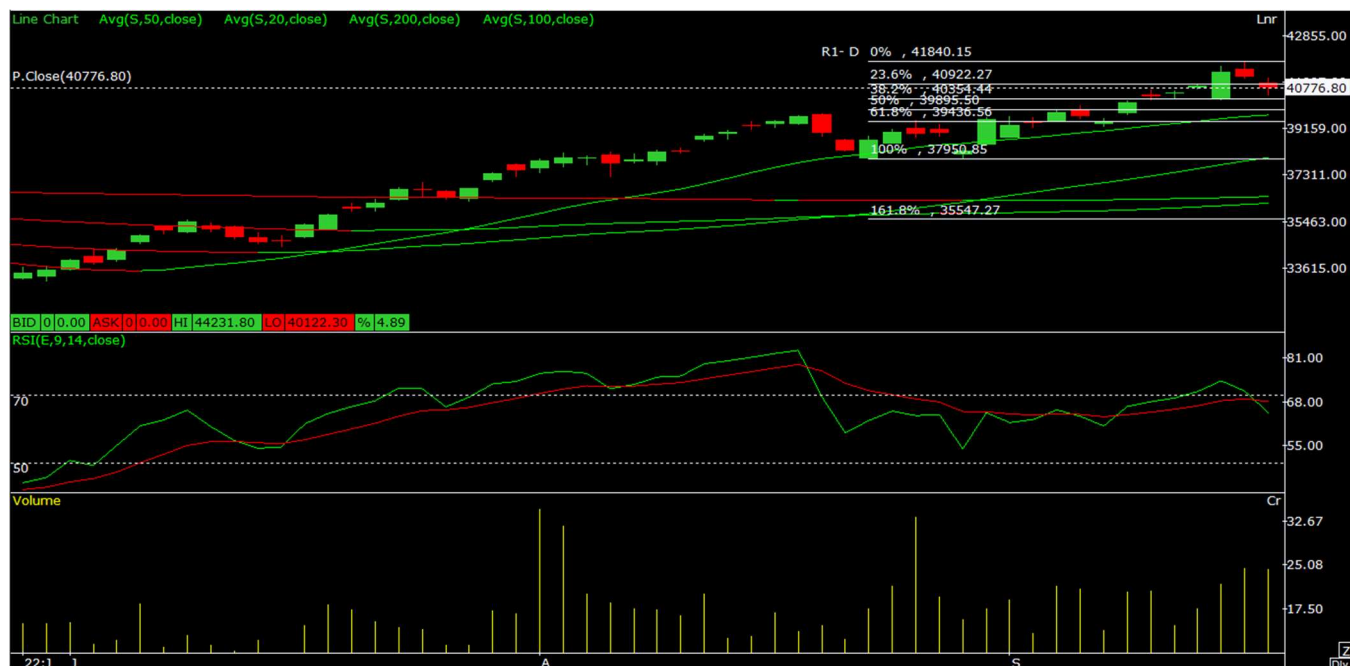
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## Banknifty 16-Sep-22 Daily chart



## **Fundamental Insight**

### **Fitch Cuts India GDP Growth Forecast To 7% For FY23, 6.7% For FY24:**

The ratings agency now expects the Indian economy to grow at 7% in FY23 compared with its earlier projection of 7.8%, according to its report on the global growth outlook. The estimates for FY24 have also been cut to 6.7% against 7.4% earlier.

### **Input Prices Are Starting To Exert Pressure On Output Prices: RBI Paper**

Early signs indicate that pressures are mounting on output prices and firms in the manufacturing and services sector have started to pass on part of their elevated costs to customers, according to the article.

### **India's Current Account Deficit Seen At A 36-Quarter High In Q1 FY23**

The gap is likely to have widened to \$28.4 billion or 3.4% of GDP in Q1 FY23, from \$13.4 billion or 1.5% of GDP in Q4 FY22, India Ratings said in a note on Friday.

### **Domestic Air Passenger Traffic Rises In August On Pent-Up Demand**

Air passenger traffic rose 51% year-on-year to 1.01 crore, which is higher than the July figures of over 97 lakh, according to monthly data released by the Directorate General of Civil Aviation.

### **India's Forex Reserves Down \$2.23 Billion To \$550.87 Billion**

The country's foreign exchange reserves declined by \$2.234 billion to stand at \$550.871 billion for the week ended Sept. 9, the Reserve Bank of India said on Friday. In the previous reporting week, the reserves had dropped by \$7.941 billion to \$553.105 billion.

## **Equichain Wealth Advisors: Opinion & View**

Banknifty continue to outperform as domestic economy remains resilient. Defense & Cement along with Banking & AUTO sector continue to do well on strong demand and expectation of healthy demand ahead of festive season.

Last week, RBI released credit growth figures as on 26-Aug-22, which was at 15.5% growth compared to previous year, which triggered outperformance in Indian market lead by Banknifty.

If US FED increase rate by 100-bps, as of now Fed rate monitor tool indicates probability at 15%, globally another round of selling across the assets class is expected. We believe a 75-bps rate hike by US FED could trigger a relief rally.

### Market View & Strategy

This week, focus would remain on US FED meeting outcome on 21-Sep-22, it could be termed as binary event and we have seen some surprise is thrown by market ahead of event and opposite reaction to policy outcome.

US Fed meeting outcome will impact Indian market on Thursday, which happens to be weekly expiry also. We expect high volatility going into event and also expect volatility to continue post event. So, our strategy this week will be basically keeping in view of highly volatile market as we have seen such trend on Friday.

**Last week, we have mentioned to reduce exposure but this week our strategy would be to add on decline in stocks and sectors which are more dependent on domestic economy. We would prefer to hedge our portfolio if VIX goes above 20 to 22 level and stays above that level. We expect 3% to 4% move on either direction based on outcome and buy range would be around Nifty @ 17200 level & Banknifty around 40000 level.**

**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.

