

26<sup>th</sup> November 2022

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

Indian Market	25-Nov-22	Weekly Change		18-Nov-22
Indices	Close	Change	% Change	Close
Nifty 50	18512.75	205.10	1.12%	18307.65
BSE Sensex	62293.64	630.16	1.02%	61663.48
Banknifty	42983.95	546.50	1.29%	42437.45
Nifty Mid-Cap 100	31587.65	670.95	2.17%	30916.70
Nifty Small-Cap 100	9849.70	236.10	2.46%	9613.60
India VIX	13.33	-1.06	-7.37%	14.39
US Market	25-Nov-22	Weekly Change		18-Nov-22
Indices	Close	Change	% Change	Close
Dow 30	34347.03	601.34	1.78%	33745.69
S&P 500	4026.12	60.78	1.53%	3965.34
Nasdaq	11226.36	80.30	0.72%	11146.06

### Last week - review

Market went into trade this week, with facing supply at higher level, but market turned positive post US Fed meeting minutes. We had clear view to go long and, on any correction, we had mentioned to add fresh long around key support level.

Now Nifty above 18442 & Banknifty above 42730 – it has clearly indicated break-out as mentioned in our last weekly report. Market have seen some increase in volatility on Thursday & Friday and going into fresh F&O series

for December, which is high eventful as RBI MPC & US Fed meeting scheduled in first half of December.

### Nifty 25-Nov-22 – Daily chart



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### Banknifty 25-Nov-22 Daily chart



### Technical Insight

- Nifty RSI @ 67.18 & RSI average @ 64.21. Nifty above 18442 have given fresh break-out this week opening further upside to 18620 & 18805.
- Nifty closing this week @ 18512, immediate support comes at 18436 & 18175.
- Banknifty RSI @ 71.10 & RSI average @ 69.11. RSI around 70 is considered as over-bought zone, but no sign of fatigue is seen, some supply is seen.
- Banknifty - trend line support @ 42300 – 42400 could be fresh entry opportunity



**Approach on Technical:** Technical breakout will open further upside 6% - 9%. Over a period of 3 to 5 weeks. Outlook for December end looks interesting.

This week outlook remains sideways with little pull-back or correction would be healthy. Nifty @ 18436 & 18175 & Banknifty around 42300 – 42400 could provide good entry opportunity for long. Technical setup is bullish and our strategy to trade long.

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## Fundamental Insight

### India Q2 GDP Preview: Growth To Normalise As Base Effect Fades

The gross domestic product is estimated to grow 6.2% in the Jul-Sep 2022 quarter, according to nine economists polled by Bloomberg. Gross value added is expected to rise 5.9%. GDP expanded 13.5% in the quarter ended June, and 8.3% a year earlier. The Reserve Bank of India's nowcasting model pegs the second-quarter GDP growth at 6.1%.

### Urban Unemployment Rate Dips To 7.2% In July-September: NSO Survey

Unemployment rate for persons aged 15 years and above in urban areas declined to 7.2% during July-September 2022 from 9.8% a year ago, the National Statistical Office said on Thursday. Labour force participation rate in current weekly status in urban areas for persons aged 15 years and above increased to 47.9% in the July-September, from 46.9% in the same period a year ago. It was 47.5% in April-June 2022.

### Data With Lag Makes Monetary Policy Challenging: RBI's Michael Patra

India's monetary policy makers rely on backward-looking information of one to three months ago and can be thrown off course by unanticipated shocks that hit them in the future, according to RBI Deputy Governor Michael Patra. Monetary policy has to be forward-looking because of the lags with which a policy rate change gets transmitted across the markets and eventually gets reflected in lending and mortgage rates, and yields, he said.

## Market View & Strategy

Market technical looks supper strong this week, after US Fed meeting minutes which were released on Wednesday, impacted Indian market on Thursday. Nifty now within 100 points of all time high could face some selling pressure but any dip or correction could be looked as buying opportunity.

Global cues will continue to drive the narrative which is currently building around the slowdown in rate hike by US Fed. Major economic data from US starts from 2-Dec-22 and any change in global narrative could lead to further correction. Easy monitory policy means mid-cap & Small-cap could do well and we are bullish on Mid-cap & Small-cap with short term view till budget.

We would focus on IT & Metal as a sector which could do well during easy monitory policy. We see 1<sup>st</sup> half of December to very eventful and interesting which could set the stage for some consolidation this week.



**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.

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