

Date: 13th January 2024

Subject: Indian market: Technical + Fundamental – Overview

Indian Market	12-Jan-24	Weekly Change		05-Jan-24
Indices	Close	Change	% Change	Close
Nifty 50	21894.55	183.75	0.85%	21710.80
BSE Sensex	72568.45	542.30	0.75%	72026.15
Banknifty	47709.80	-449.20	-0.93%	48159.00
Nifty Mid-Cap 100	47512.60	116.30	0.25%	47396.30
Nifty Small-Cap 100	15544.65	105.80	0.69%	15438.85
India VIX	13.10	0.47	3.72%	12.63
US Market	12-Jan-24	Weekly Change		05-Jan-24
Indices	Close	Change	% Change	Close
Dow 30	37592.98	126.87	0.34%	37466.11
S&P 500	4783.83	86.59	1.84%	4697.24
Nasdaq	14972.76	448.69	3.09%	14524.07

Last week – review

Going into trade last week, we expected Nifty range 21506 – 21834 & Banknifty range 47575 – 48636, Nifty tested both end of the range while Banknifty manage to hold lower end of the range. Banknifty was showing weakness on chart and it has underperformed. IT result was key highlight for this week as INFY narrowed guidance to 1.5% - 2% indicating worst may be behind as TCS report operating margin at 25%.

Global cues continue to focus on CPI & Core CPI data of U.S. which came above estimate, fearing or interest rate could remain higher for longer time.

Nifty 12-Jan-24 Daily chart



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Banknifty 12-Jan-24 Daily chart



Technical Insight

- Nifty RSI @ 70.20 & RSI average @ 67.49. Nifty manage to hold on to 21506 this week and break-out above 21834 could open further upside to 21978 & 22306.
- Nifty range for this week could be seen as 21631 to 22306. Nifty move above 21834 has opened further to 22306 level.
- Banknifty RSI @ 56.37 & 57.47. Banknifty managing to close above 47575 level and could test 48231. Banknifty @ 47575 to act as important support level for near term as well.
- Banknifty range for this week could be seen as 47575 – 48636. Banknifty range for this week remains same as last week.



Approach on Technical: IT result provided trigger to Nifty this week and Banknifty could take cues from HDFCBANK result due on 16-Jan-24. Banknifty to take move on either direction.

Nifty close above 21834 could be seen as positive break-out and could test as high as 22306 level on higher side. Banknifty will take cues from HDFCBANK result but 47575 to act as support level. We will turn

cautious or bearish if Banknifty breaks 47575 and fresh upside momentum can be seen on Banknifty above 47980 to 48636 level. Banknifty could led the positive momentum as chart indicates positive from consolidation.

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Fundamental Insight

India's CPI Inflation Rises to Four-Month High Of 5.69% In December

India's retail inflation rose in December, led by the base effect, though vegetable prices saw a sequential deceleration. The Consumer Price Index-based inflation stood at 5.69% in December, as compared with 5.55% in November, according to data from the Ministry of Statistics and Program Implementation released on Monday.

IIP: Growth In India's Industrial Output Falls To Eight-Month Low At 2.4%

India's industrial output saw muted growth in November after rising to a 16-month high in the previous month.

The Index of Industrial Production grew 2.4% in November, as compared with a revised growth of 11.6% in October, according to data published by the Ministry of Statistics and Program Implementation on Friday.

Economists polled by Bloomberg had forecasted November IIP growth at 3.5%. IIP growth decelerated sharply from the previous month, primarily on account of a normalizing base, said Rajani Sinha, chief economist at Care Edge Ratings.

Parliament's Budget Session Likely Between Jan. 31 And Feb. 9

A brief Budget session of Parliament is likely to be held between Jan. 31 and Feb. 9, sources said on Thursday. President Droupadi Murmu will address a joint sitting of the two houses on Jan. 31, they said.

The government would present a vote-on-account or an 'interim budget' on Feb. 1. The new government will present a full-fledged budget later. Since the term of the 17th Lok Sabha ends on June 16, it is set to be the last session of Parliament before general elections are announced.

Equichain Wealth Advisors: Market View & Strategy

Global cues will continue to focus on interest rate, U.S. economic data and geo-political crisis in Red Sea which has triggered rally in crude oil prices. Crude currently is trading well below the range which is manageable for India. Brent crude below \$90 is within comfortable level for India and inflation.

HDFCBANK result could provide decisive direction to Banknifty and could led next round of rally. IT stocks rallied this week helped Nifty cross its previous and closed at life time high. HDFCBANK 's quarterly business updates were positive and no negative surprise could support to HDFCBANK stock prices which has seen correction in last two weeks after year end rally which on HDFCBANK which crossed 1700 level.



We remain positive and would continue to maintain bullish stance unless we see negative cues dominating and market direction turns negative. Our strategy would to remain long on Banks, Defense stocks and Infrastructure stocks going into Vote-on-account (mini-budget).

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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