

Date: 22<sup>nd</sup> January 2024

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

Indian Market	20-Jan-24	Weekly Change		12-Jan-24
Indices	Close	Change	% Change	Close
Nifty 50	21571.80	-322.75	-1.47%	21894.55
BSE Sensex	71423.65	-1144.80	-1.58%	72568.45
Banknifty	46058.20	-1651.60	-3.46%	47709.80
Nifty Mid-Cap 100	48062.80	550.20	1.16%	47512.60
Nifty Small-Cap 100	15518.90	-25.75	-0.17%	15544.65
India VIX	13.80	0.70	5.34%	13.10
US Market	19-Jan-24	Weekly Change		12-Jan-24
Indices	Close	Change	% Change	Close
Dow 30	37863.8	270.82	0.72%	37592.98
S&P 500	4838.81	54.98	1.15%	4783.83
Nasdaq	15310.97	338.21	2.26%	14972.76

### Last week – review

Nifty started this week's trade with a bang as Nifty manage to cross 22100 level and close at 22097 on Monday. Market seen major fall on Wednesday as reaction to HDFCBANK which disappointed market as HDFCBANK ADR was down by more than 15% in two trading session. HDFCBANK seen cut of more than Rs 200 or 12% from 1679 closing ahead of result on 16-Jan-24.

Global cues ended this week with minor gains as mix news continues to dominate

this week's trade. US Market was volatile this week and recover on Friday manage to close week with minor gain.

### Nifty 20-Jan-24 Daily chart



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## Banknifty 20-Jan-24 Daily chart



### Technical Insight

- Nifty RSI @ 53.50 & RSI average @ 59.89. Nifty took support around 21411 which is 61.8% retracement level of 20976 to 22115 rally.
- Nifty key support and resistance level this week could be 21411 to 21680. Break-out on either direction to provide fresh move in a holiday shorten week.
- Banknifty RSI @ 40.15 & RSI average @ 46.27. Banknifty immediate support at 45933 & 45295 and resistance level 46571.
- Banknifty expected to trade in range of 45295 to 46571. Decisive move can be expected once this level is crossed on either side



**Approach on Technical:** Indices will be reacting to ICICIBANK 's result on Tuesday & holiday shorten week. Banknifty monthly expiry on 24-Jan-24 & Nifty and stocks final F&O expiry on 25-Jan-24.

Indices after last week has seen sharp correction on back of HDFCBANK 's result on 16-Jan-24. Nifty @ 21411 & Banknifty @ 45295 to act as important support level and indices to remain in uptrend till

these levels are hold. Nifty above 21680 & Banknifty @ 46571 could be seen as positive and fresh up move could be resumed going into key event of Budget on 1-Feb-24.

## **Fundamental Insight**

### **RBI Not Discussing Rate Cuts Yet, Governor Das Says**

India's central bank won't consider interest rate cuts unless inflation settles firmly around the 4% target, with policymakers not even discussing the topic yet, Governor Shaktikanta Das said.

While price gains have moderated, "unless we see clear evidence that inflation is going to sustain at that level, it will be premature to talk about rate cuts," Das told Bloomberg Television's Haslinda Amin in an interview on the sidelines of the World Economic Forum in Davos Thursday. "The topic of rate cuts is not even under discussion," he said.

### **Retail Inflation For Farm Workers Rises To 7.71% In Dec**

Retail inflation for farm workers and rural labourers increased marginally to 7.71% and 7.46% in December compared to 7.37% and 7.13%, respectively, in November due to higher prices of certain food items.

Food inflation stood at 9.95% and 9.80% in December 2023, compared to 9.38% and 9.14%, respectively, in November 2023.

### **EPFO Adds 13.95 Lakh Net Members During November 2023**

Retirement fund body Employees' Provident Fund Organisation added 13.95 lakh net members in November 2023, as per the latest payroll data released on Saturday.

Cumulative net addition of members during the current financial year continues to remain higher than that of the corresponding period of the previous year, a labour ministry statement said.

According to the statement, the EPFO's provisional payroll data highlighted that the body added 13.95 lakh net members in November.

### **India's Fiscal Deficit To Be Budgeted At 5.3% Of GDP In FY25: BofA Securities**

Finance Minister Nirmala Sitharaman will opt for a further reduction in fiscal deficit to 5.3% of India's gross domestic product in the upcoming budget for FY25 despite poll pressure, a foreign brokerage said on Friday.

The government will meet the FY24 commitment to reduce the important number to 5.9%, BofA Securities said in a note.

"We see Centre's fiscal deficit to consolidate further to 5.3% of GDP, despite poll pressure," its analysts wrote in a note.

The government had earlier committed to reduce the fiscal deficit to 4.5% by FY26 as part of its glide path to gradually reduce the gap, which is seen as a major factor influencing macroeconomic position.

### **Equichain Wealth Advisors: Market View & Strategy**

Market will be reacting to ICICIBANK result which came on Saturday after market hours. All eyes will be on how ICICIBANK ADR performs on Monday. Indian market is closed on Monday for PRAN PRATISTHA ceremony of RAM MANDIR.

F&O expiry for January series due this week in a holiday shorten week, Indian market will be trading for only 3 days this week as Friday will be holiday for Republic Day and soon after that focus will shift to Vote-On-Account, Mini-budget on 1-Feb-24. ICICIBANK result is in-line with market estimate with NIM at 4.43% Vs 4.53% in previous quarter. ICICIBANK result is better than street estimate and no major concern seen as compared to HDFCBANK.

We remain cautious optimistic as we see many stocks are fairly valued and focus will clearly shift to budget due on 1-Feb-24. Market will react positively to successful PRAN PARTHISTHA ceremony of RAM MANDIR as focus will now shift to budget and election.

**Going into budget we remain positive on defense, infrastructure and select mid-cap & Small-cap stocks with a view on budget and where company has delivered prosing result and over past few quarters. We would increase our exposure to 85% to 90% on upper end of the range ahead of Budget on 1-Feb-24. We would also be focusing on booking part profit and shifting to stocks which are valued attractively. We remain open to review our allocation strategy based on incoming data and we do not rule out profit booking post budget on 1-Feb-24.**

**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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