

Date: 2nd March 2024

Subject: Indian market: Technical + Fundamental – Overview

Indian Market	01-Mar-24	Weekly Change		23-Feb-24
Indices	Close	Change	% Change	Close
Nifty 50	22338.75	126.05	0.57%	22212.70
BSE Sensex	73745.35	602.55	0.82%	73142.80
Banknifty	47286.90	475.15	1.02%	46811.75
Nifty Mid-Cap 100	48790.60	-488.95	-0.99%	49279.55
Nifty Small-Cap 100	16058.95	-116.25	-0.72%	16175.20
India VIX	15.28	0.31	2.07%	14.97
US Market	23-Feb-24	Weekly Change		23-Feb-24
Indices	Close	Change	% Change	Close
Dow 30	39087.38	-44.15	-0.11%	39131.53
S&P 500	5137.08	48.28	0.95%	5088.8
Nasdaq	16274.94	278.12	1.74%	15996.82

Last week – review

Indices closed mixed this week as Nifty 50, SENSEX & Banknifty ended with around 1% gain, while Mid-cap 100 & Small-cap 100 closed with loss of around 1%. GDP data released on Thursday after market hours provided much needed rally from lows of the week to record high on major indices. Mid-cap & Small-cap underperformed this week as SEBI asked for further disclosure and regulation from Mutual fund.

Global cues continue to focus on interest rate cues and economic data remain weak. US Congress reaches on deal to avert U.S. government shutdown.

Nifty 1-Mar-24 Daily chart



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Banknifty 1-Mar-24 Daily chart



Technical Insight

- Nifty RSI @ 61.78 & RSI Average @ 58.10. Nifty crossed previous high of 22297 will open upside to 22446 & above. Nifty @ 22096 & 22023 to act as support level.
- Nifty could see fresh upside above 22446. Nifty range for this week could be 22297 to 22796. Nifty above 22297 is seen as fresh break-out.
- Banknifty RSI @ 59.56 & RSI Average @ 52.96. Banknifty manage to hold 46073 level could test 47748 & 47052 could act as support level.
- Banknifty move on Friday can be seen as big positive and now immediate support @ 47052 and trend remains positive till it holds 47052.



Approach on Technical: Friday's move after strong GDP data on Thursday after market closing has change direction in short term. Last Wednesday & Thursday market remain under pressure.

Nifty @ 22096 & Banknifty @ 46562 to act as important and decisive support level. Technical chart has turned positive and could test higher level. Nifty is expected to test 22446 & 22796. Banknifty likely to

test 47748 & 48636. We see Friday's move as big trigger as Nifty 50 index made fresh high and could open further upside.

Fundamental Insight

India's GDP Grows 8.4% In Q3 Surpassing Estimates; Full-Year Growth Pegged At 7.6%

The gross domestic product grew 8.4% over a year earlier in the October-December quarter, according to the latest estimates released by the government's statistical agency. Gross value added, which strips out indirect tax and subsidies, is estimated to have grown 6.5%.

The Q3 data on India's growth threw up a divergent trend, with the GVA growth moderating broadly on expected lines to 6.5% and the GDP expanding by a much higher than anticipated 8.4%. This wide gap followed a surge in the growth of net indirect taxes to a six-quarter high of 32% in this quarter, which is unlikely to be sustainable.

- GDP growth in Q1FY24 is now estimated at 8.2% vs. 7.8% previously forecasted for the same quarter.
- GDP growth in Q2FY24 is now estimated at 8.1% vs. 7.6% previously forecasted for the same quarter.

With the upside surprise in Q3 as well as upward revisions in H1, GDP growth for FY24 is pegged at 7.6% as per the second advance estimates, compared to 7.3% as per the first advance estimates.

Fiscal Deficit Widens To 64% Of Revised Estimates till January

The Union government's fiscal deficit till January expanded to 63.6% of the budgetary target for the current financial year.

In actual terms, the fiscal deficit comes up to Rs 11.02 lakh crore of the total limit set at Rs 17.34 lakh crore. The target was lowered to 5.8% of the gross domestic product in the revised estimates from the estimated 5.9% in the 2023 budget.

India's GST Collection Rises 12.5% To Rs 1.68 Lakh Crore in February

The gross Goods and Services Tax collections rose 12.5% year-on-year to Rs 1.68 lakh crore in February for transactions conducted in January, reflecting a slight dip as seen in the first month of every quarter.

However, on a month-on-month basis, the figures fell 2.2% from Rs 1.74 lakh crore in January for transactions in December. But, cumulatively, the last quarter rakes in higher revenues closer to its end.

This puts the average monthly gross collection for FY24 at Rs 1.67 lakh crore, exceeding the Rs 1.5 lakh crore collected in the previous year's corresponding period.

Cabinet Nod for Three Semiconductor Units Entailing Rs 1.26 Lakh Crore Investment

The Union Cabinet on Thursday approved proposals to set up three semiconductor plants, including a mega fab by Tata Group, at a cumulative investment of Rs 1.26 lakh crore, as India moves to position itself as a global powerhouse in chip manufacturing.

The government is offering incentives of up to Rs 76,000 crore to boost domestic manufacturing of semiconductors, which are essential components of electronic devices and find usage in mobile phones, laptops, refrigerators, washing machines and automobiles, among others.

Equichain Wealth Advisors: Market View & Strategy

We were cautious till last week and market trend on Wednesday and Thursday was negative as profit booking was seen at higher level. GDP data released on Thursday after market hours provided positive trigger for market, Nifty closed at fresh 52-week high lead by broad base rally from banking to infrastructure sector. GST Collection for February came at 1.68 lakh crores, records 12.5% growth compared to previous year while decline compared to previous month's collection of 1.74 lakh cores.



Global cues continue to remain strong, last week U.S. economic data were mixed as US Market ended the week within a range. Gold rallied on Friday just short of \$2100, US 10-year bond yield cooled-off & Dollar Index is trading below 104 level.

We see recent development as fresh positive triggers and we may find opportunity to deploy fund available. In last few weeks, we have been underweighted as we were expecting correction, but market witness sideways correction / consolidation and Friday 's rally changed the sentiment. Q3FY24 GDP number just ahead of election could limit the downside. Any correction could be seen by market as buying opportunity as strong domestic inflows is now backed by strong economic data.

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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