

MONTHLY OVERVIEW

January 2021

S E R V I C E S



MARGIN



IPO BONDS



COLLECTRAL



ENCASH



E-MARGIN



BROKERAGE BENEFITS



MUTUAL FUND



COVER



HNI SERVICES



NRI SERVICES



EQUITY SIP



BUSINESS PARTNERS



December was a good month as Nifty continued to perform strongly from where it closed in the previous month, it closed December with a gain of 7.81%. The overall trend for Nifty continues to remain positive as Nifty continues its journey to achieve higher levels. Even Broader Indices saw healthy gains. Few stocks which can give a handsome return for this calendar year would be **HDFCLIFE NAM-INDIA SUMICHEM PAGEIND VINATIORGANIC**.

Nifty 50 - Overview



Source: IRIS+

Nifty Outlook

After a strong November month, December month was little sluggish though it continued to remain in the positive trend as Nifty closed December with a return of 7.81% compared to November where it closed with a return of 11.39%. FI continued to remain positive on Indian markets as they continued their buying spree. FIs net inflow was of Rs.48223.94 crores in the domestic equities market compared to the previous month where they were net buyers of Rs. 65317.13 crores. While on the other hand, Domestic Institutional Investors (DIIs) continued to remain net seller even after their selling in the previous few months. DII were net seller of Rs.37293.53 crores compared to the previous month where they were a net seller of Rs. 48319.17 crores in November.

Last month Nifty continued its bullish journey as it achieved new milestone one after another. Even on the Monthly chart, the trend is bullish as it is into uncharted territory and momentum remains strong. Looking at the overall formation, we might see some correction or consolidation in the coming month, but the trend is positive hence correction should be used to create long positions. And unless and until major moving average is not breached decisively our view will continue to remain positive. For the coming month, we expect the Nifty to face a hurdle at 14500 and 14800 range which would be a crucial resistance level while support would be at 13700 and 13100. Kindly Note be with sectors which are showing Strength and try to exit from weak sectors.

Nifty Outlook:			
Short-term	Positive	Monthly Closing	13982
Medium-term	Positive	Monthly High	14024
Long-term	Positive	Monthly Low	12963
		Monthly Bias:	Positive
		Support Level:	13700 13100
		Resistance Level:	14500 14800
		Moving Average	
		Period	SMA
		50 Days	12892
		200 Days	10987
		200 Weeks	10842

Source: IRIS+

Nifty Bank - Overview



Source: IRISI+

Monthly Closing	31264	
Monthly High : 31510	Monthly Low : 28976	
Sector Bias:	NEUTRAL	
Support Level:	28970	26850
Resistance Level:	32650	33500

Sector Outperformers
BANKBARODA
ICICIBANK
Sector Underperformers
PNB
HDFCBANK

BankNifty continued its upward trend though there was some slowdown in momentum, it still closed in the green territory with a gain of 5.59% vs the previous month where it closed a gain of 23.62%. If we dissect Bankings stocks further, Nifty PSU Bank closed with healthy gains of 12.47% on the other hand Private players closed with modest gains of 4.73%. It indicates that PSU counterparts outperformed Private players. If we compare both PSU and Private players, then PSU banks are showing relative strength. Since PSU bank has less weightage in the index, it has failed to reflect its outperformance in Bank Index. Overall if we compare both Nifty and Bank Nifty then Bank Nifty continues to underperform Nifty and since Bank Nifty has heavy weightage in Nifty its performance will play a crucial role in Nifty's performance.

On the Monthly chart, BankNifty had formed bullish candlestick formation as it didn't succumb to selling pressure, but it is now near resistance zone which historically has been a barrier for Bank Nifty and crossing this zone on the higher side would be crucial for Bank Nifty to achieve all-time high levels. The trend remains positive as it is now trading above 50,100 and 200day SMA compared to a few months back where it was trading below this average but it is also near resistance zone so it would be advisable to be careful with long positions and try to book profit at regular interval. For the coming month, 28970 and 26850 would be strong support zone as it was resistance zone which now has turned to support while on the upside, resistance would be at 32620 and 33500. Kindly Note: BankNifty had been underperforming compared to broader indices for some time now except 1-2 month in the past hence it would still be prudent to avoid small size banking stock at least at the current juncture as it faces many headwinds. Investors can accumulate quality value picks systematically but be selective and try to stick with market leaders **HDFCBANK –KOTAK BANK- ICICIBANK.**

Event Calendar

Date	Event	Period	Survey	Prior
4-Jan-21	Markit India PMI Mfg	Dec	--	56.3
6-Jan-21	Markit India PMI Composite	Dec	--	56.3
6-Jan-21	Markit India PMI Services	Dec	--	53.7
12-Jan -21	CPI YoY	Dec	--	6.93%
14-Jan -20	Wholesale Prices YoY	Dec	--	1.55%
15-Jan-20	Export YoY	Dec	--	-8.7%
15-Jan -20	Import YoY	Dec	--	-13.3%
29-Jan-20	Fiscal Deficit INR Crore	Dec	--	122353
29-Jan-20	Eight Infrastructure Industries	Dec	--	-2.60%

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