

MONTHLY OVERVIEW

July 2020

SERVICES



MARGIN



IPO BONDS



COLLECTRAL



ENCASH



E-MARGIN



BROKERAGE BENEFITS



MUTUAL FUND



COVER



HNI SERVICES



NRI SERVICES



EQUITY SIP



BUSINESS PARTNERS



After subdued May month, June month was relative better as Nifty gave a return of 7.53%. June month has witnessed huge volatility as there were many swings throughout the month but eventually, almost all sectoral indices closed in green. Broader market saw better attraction throughout the month. The short-term view is **Neutral** while medium-term view on Nifty is **Negative**. Our advice would be not to go long aggressively but to hold CASH as there is a lot of uncertainty around us and we should let things settle down.

Nifty 50 - Overview



Source: IRIS+

Nifty Outlook

Nifty's June month fared much better compared to its May month. June month was full volatile as there were many zigsaws throughout the month. Nifty gave 7.53% return in June month. Foreign Institutional Investors (FIIs) continue to remain net buyers with a net inflow of Rs.5492.95 crores in the domestic equities compared to a net inflow of Rs.13914.49 crores in May 2020. Even DII continued there buying with a net inflow of Rs. 2434.40 crores, against a net inflow of Rs. 12,293.19 crores in May 2020.

On the Monthly chart, Nifty closed June month in positive. It has formed a green candlestick formation after the inside bar where volatility had dropped. For the coming month on the higher side, we expect Nifty to face a hurdle near 61.8% retracement level (12430-7511) which would be at 10551 along with that it is also near to recent swing high so 10551 would be a crucial level. Though from the current levels, there is a limited upside but last months up move was strong so we might see a further continuation of that move. On the Weekly chart, Nifty has formed spinning top formation that indicates that there is indecisiveness. While on the daily chart, Nifty is forming a rising wedge pattern which is bearish, if Nifty close above the upper trendline then we might see continuation but if it breaks the lower trendline then sharp correction is expected from there and we might see wave C type of correction. All in All, We believe the current market is facing higher uncertainties than usual with a lot of changes and news flow. Given the uncertain situation, the trading position should be small and strict stop loss should be followed. Position sizing remains critical in the current scenario. Cash is King, so we recommend to remain at a higher cash levels as the economy is going through tough times.

Nifty Outlook:		Monthly Closing	10302
Short-term	Neutral	Monthly High	10553
Medium-term	Negative	Monthly Low	9544
Long-term	Neutral	Monthly Bias:	Neutral
		Support Level:	9970 9540
		Resistance Level:	10550 10830
		Moving Average	
		Period	SMA
		50 Days	9624
		200 Days	10896
		200 Weeks	10376

Source: IRIS+

Nifty Bank - Overview



Source: IRISI+

Monthly Closing	21370	
Monthly High : 22479	Monthly Low : 19507	
Sector Bias:	Neutral to Negative	
Support Level:	19350	17105
Resistance Level:	22500	23605

Sector Outperformers

BANDHANBK
RBLBANK

Sector Underperformers

AXISBANK
ICICIBANK

On the Monthly chart, BankNifty has gained 10.74% and reversed its selling pressure which it faced in May. Nifty PSU bank recovered sharply after hitting an all-time low in May and closed with a gain of more than 26% even Nifty Private Bank recovered from their lower levels and closed the month with a gain of 10.75%. BankNifty had a very volatile month as there were many swings throughout the month. On the positive side, it managed to maintain the Gap-up (19358-19632) which formed at the start of the month. On the Negative side Bank Nifty in the last week of the month underperformed Nifty, this indicates that there is a some weakness in the underlying. Bank Nifty has completed its 38.20% retracement for 32613 to 16116 down move and has underperformed in the last 3-months compared to Nifty, which has completed 61.80% retracement, so in case there is any fall in the market then we might see Bank Nifty correcting more than Nifty. On the higher side, BankNifty has multiple resistance and to turn the tide of bearishness Bank Nifty need to close and sustain above 22480, On the downside, major support is at 19350, if it breaks 19350 then we might see BankNifty correcting to 17105 or even below that. BankNifty is trading below all the 100 & 200 days SMA and also has resistance on the higher side has it had formed a few runaway gaps during this downtrend. Till Bank Nifty is not able to reclaim these key moving averages any short-term bounce may get sold off. Investors can accumulate quality value picks systematically but be selective and try to stick with market leader or top 3-4 names only.

Event Calendar

Date	Event	Period	Survey	Prior
1-July-20	Markit India PMI Mfg	June	--	30.8
3-July-20	Markit India PMI Composite	June	--	14.8
3-July-20	Markit India PMI Services	June	--	12.6
13-July-20	CPI YoY	June	--	--
14-June-20	Wholesale Prices YoY	June	--	-3.21%
15-June-20	Import YoY	June	--	-51.10%
15-June-20	Export YoY	June	--	-36.50%
15-June-20	Trade Balance	June	--	-\$3150m
31-June-20	Fiscal Deficit INR Crore	June	--	186831

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