

TECHNICAL OUTLOOK

NIFTY WEEKLY CLOSE – 9154.40 (▼112.25)

Last week, Nifty began on a positive note, and moved up till 9390. However, as mentioned earlier in our reports, Nifty saw profit-booking at this level and closed the week at 9150 with a loss of 112 points.

After two weeks of gains, Nifty saw profit-booking last week. On daily chart, Nifty remains above its 13-day EMA, however, remains below other key averages. On weekly chart as well, Nifty remains below all its key averages. Daily as well as weekly RSI is above its average.

Going ahead, 9400 remains the resistance level as Nifty attempts to move higher, as mentioned in our earlier report. While 9970 would be the resistance at higher level, Nifty would seek support near 9050. At the lower side, 8800 remains a support level. We maintain a cautious approach.



WEEKLY MARKET REVIEW**Market ends with modest losses amid volatility**

Key benchmark indices fell after logging gains in prior two weeks. The rapidly rising number of COVID-19 infections in India and the resultant deaths put pressure on bourses. Global stocks fell on doubts about progress in the development of drugs to treat COVID-19.

Sentiment was also impacted after Franklin Templeton Mutual Fund on Thursday announced it would wind up six yield-oriented, managed credit funds in India, effective April 23, citing severe market dislocation and illiquidity caused by the coronavirus.

In the week ended on Friday, 24 April 2020, the Sensex fell 261.50 points or 0.83% to settle at 31,327.22. The Nifty 50 index declined 112.25 points or 1.21% to settle at 9,154.40. The BSE Mid-Cap index dropped 359.87 or 3.04% to settle at 11,464.20. The BSE Small-Cap index slipped 167.37 points or 1.55% to settle at 10,633.54.

On the equity front, index major Reliance Industries (RIL) jumped 15.70%. The company announced the signing of binding agreements with Facebook for an investment of Rs 43,574 crore into Jio Platforms. This investment by Facebook values Jio Platforms at Rs 4.62 lakh crore pre-money enterprise value. Facebook's investment will translate into a 9.99% equity stake in Jio Platforms on a fully diluted basis.

HDFC Bank rose 2.99%. The bank's net profit rose 17.72% to Rs 6,927.69 crore on 15.10% increase in total income to Rs 35,917.63 crore in Q4 March 2020 over Q4 March 2019. Profit before tax (PBT) for Q4 March 2020 was at Rs 9,174.33 crore, up by 2.5% from Rs 8,954.38 crore in the corresponding period of the previous year. Pre-provision operating profit (PPOP) at Rs 12,958.80 crore grew by 19.5% over the corresponding quarter of the previous year.

ICICI Bank slumped 10.93%. S&P Global Ratings revised its rating outlook on the private lenders to 'negative' from 'stable'. S&P said, "(the) heightened economic risks facing India's banking system may affect the creditworthiness of these banks. In our base case, other private sector peers such as HDFC Bank and Kotak Mahindra Bank have stronger asset quality and would be able to withstand the weakness in operating

conditions", the ratings agency said in a statement.

Larsen & Toubro (L&T) tanked 8.85%. The company said L&T Construction bagged significant contracts for its power transmission & distribution business. As per the L&T's classification, the valuation of the 'significant' order stands between Rs 1,000 crore and 2,500 crore.

Tata Motors declined 3.51%. Jaguar Land Rover added that the coronavirus pandemic had significantly impacted sales in the fourth quarter of the fiscal year. Jaguar Land Rover retail sales fell 12.1% to 508,659 vehicles in the fiscal year 2019-20 (FY20) over FY19. The company's total retail sales for the quarter ending on 31 March 2020 were 109,869 vehicles, down 30.9% compared to the same period last year.

TCS added 0.64%. TCS and Amway, a global leader in direct selling, have entered into a strategic partnership to transform the latter's global technology operations. Amway was looking to transform its IT infrastructure and operations and its global service desk in order to improve agility, accelerate speed to market, and enhance customer experience.

Infosys rose 4.61%. The IT major said its consolidated net profit (after minority interest) fell 3.1% to Rs 4,321 crore on 0.8% rise in revenues to Rs 23,267 crore in Q4 March 2020 over Q3 December 2019. Consolidated operating profit fell 2.7% to 4,927 crore in Q4 March 2020 over Q3 December 2019. Operating margin stood at 21.2% in Q4 March 2020 lower than 21.9% in Q3 December 2019.

Tata Steel dropped 8.69%. The steel major announced provisional production and sales number for the quarter ending 31 March 2020. For Tata Steel India, the steel manufacturer reported a 5.8% rise in production to 4.74 million tons in Q4 March 2020 as against 4.48 million tons reported in Q4 March 2019. Sales declined 14.62% to 4.03 million tons in Q4 March 2020 as against 4.72 million tons reported in the same period last year.

Source: www.capitalmarket.com

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NSE TM ID - 07549

BSE TM ID - 3105

NSDL DP ID: IN303647

CDSL DP ID: 12062400

SEBI Regn. No. INZ000221337

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