

TECHNICAL OUTLOOK

NIFTY WEEKLY CLOSE – 9859.90 (↑ 705.50)

Last week, Nifty began on a positive note, and remained so through the week. It moved higher and crossed the initial resistance level of 9400 to close the week at 9859 with a strong gain of 705 points.

On daily chart, Nifty has now moved above its 55-day EMA and remains above its 13-day EMA. On weekly chart however, Nifty remains below all its key averages. Daily as well as weekly RSI is above its average.

Going ahead, now 9970 would be the resistance at higher level, which is near 50% retracement level of Nifty's highest level and low marked in earlier month. A move above this would face resistance near 10100. On the other hand, Nifty would now seek support near 9500 and 9400. We maintain a cautious approach.



**WEEKLY MARKET REVIEW****Sensex, Nifty rally on upbeat global cues**

Local benchmark indices nudged higher in truncated trading week on hopes for an effective COVID-19 treatment. Indices logged gains for fourth consecutive week. Sentiment also got a boost after the Reserve Bank of India (RBI) on Monday, 27 April 2020 announced a special liquidity facility of Rs 50,000 crore for mutual funds in the wake of the winding up of six debt funds by Franklin Templeton.

Global shares climbed following developments regarding the use of Gilead Sciences' antiviral drug Remdesivir as a potential new treatment for COVID-19 patients. Investors worldwide were optimistic over the slowing of new virus cases and welcomed moves by policymakers to support the coronavirus-hit global economy.

In the week ended on Thursday, 30 April 2020, the Sensex jumped 2,390.40 points or 7.63% to settle at 33,717.62. The Nifty 50 index rallied 705.50 points or 7.71% to settle at 9,859.90. The BSE Mid-Cap index advanced 549.25 or 4.79% to settle at 12,013.45. The BSE Small-Cap index spurred 468.30 points or 4.40% to settle at 11,101.84.

On the equity front, IndusInd Bank surged 22.16%. The bank's net profit fell 16.17% to Rs 301.84 crore on 21.29% rise in total income to Rs 9,158.57 crore in Q4 March 2020 over Q4 March 2019. The bank's provisions and contingencies jumped 56.36% to Rs 2,440.32 crore in Q4 March 2020 over Q4 March 2019.

Mumbai-based Reliance Industries (RIL) rose 3.51%.

Axis Bank jumped 10.02%. The bank reported a net loss of Rs 1,387.78 crore in Q4 March 2020 compared with net profit of Rs 1,505.06 crore in Q4 March 2019. Total income rose 10.34% to Rs 20,219.57 crore in Q4 March 2020 over Q4 March 2019. The bank's Net Interest Income (NII) grew 19% year-on-year (YoY) to Rs 6,808 crore during Q4 March 2020 from Rs 5,706 crore in Q4 March 2019. Net interest margin for Q4 March 2020 was 3.55%. Meanwhile, the bank's board approved raising Rs 35,000 crore in Indian currency/foreign currency by issue of debt Instruments including but not limited long term bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital Bonds or such other debt securities

as may be permitted under RBI guidelines, from time to time.

Automobile major Tata Motors rallied 25.56%. As per media reports Jaguar Land Rover (JLR) has restored three-fourth of its budgeted production in China. Chery Jaguar Land Rover Automotive Co or CJLR's manufacturing plant in Changshu, which gradually resumed operations from third week of February, has restored its production capacity to 75% of pre-covid-19 levels, reports said.

UPL spurred 24.94%. UPL stated that it presently continues to see demand in line with the expectations as the farming season continues to be normal across the world. This is being supported by governments across the world to strengthen their security of food supply.

US scientists on Wednesday, 29 April 2020 hailed a potential breakthrough in the coronavirus fight as a trial showed patients responding to antiviral drug Remdesivir, fuelling global hopes for a return to normal. Gilead Sciences said Wednesday, 29 April 2020 preliminary results of a coronavirus drug trial showed at least 50% of patients treated with a five-day dosage of Remdesivir improved and more than half were discharged from the hospital within two weeks.

In the economic front, Moody's Investors Service on slashed India growth forecast for calendar year 2020 to 0.2%, from 2.5% projected earlier. For 2021, Moody's expects India's growth to rebound to 6.2%. Moody's said the economic costs of coronavirus crisis amid the near shutdown of the global economy are accumulating rapidly.

Meanwhile, US Federal Reserve policymakers left interest rates near zero and repeated a vow to do what it takes to shore up the economy, saying the ongoing coronavirus pandemic will weigh heavily on the near-term outlook and poses considerable risks for the medium term. The US economy shrank at a 4.8% annual rate last quarter as the coronavirus pandemic shut down much of the country.

Source: www.capitalmarket.com



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