

NIFTY AND GLOBAL INDICES GAIN ON POSITIVE SENTIMENT

LAST WEEK PERFORMANCE

DOMESTIC MARKETS

Over the past week, the Nifty 50 index posted a gain of 2.27%, closing at 24,677, up by 546 points from the previous week's close of 24,131. The Nifty Midcap 100 performed even better, rising by 4%, while the Nifty Smallcap 100 saw a gain of 4.5%. Among the sectoral indices, Nifty Realty, Nifty Consumer Durables, and Nifty PSU Banks led the gains, advancing by 5.3%, 5.0%, and 5.0%, respectively.

In contrast, the Nifty FMCG sector struggled due to slowing consumer demand and disappointing quarterly earnings.

In its latest Monetary Policy Committee meeting, the RBI maintained the repo rate at 6.5% while trimming the Cash Reserve Ratio (CRR) by 50 basis points, a move largely anticipated by the markets. However, the central bank's decision to downgrade its GDP forecast for FY25 from 7.2% to 6.6% and raise the inflation target from 4.5% to 4.8% cast a shadow over investor sentiment.

GLOBAL MARKETS

U.S. and European markets have rallied, fueled by post-election optimism and strong earnings from major companies, particularly in the technology sector. Nasdaq closed higher by 3.86% while S&P 500 gained 1%.

This positive momentum on Wall Street also influenced Asian markets, with the Nikkei 225 rising 2.7% and Shanghai composite index rising 2.34%.

CURRENCY

The US Dollar Index (DXY) remained flat and closed at 105.970.

The rupee remained flat and is hovering around Rs 84.668 against the US dollar.

COMMODITIES

Gold futures remained flat and closed at Rs 76,619, while Silver futures rose by 1.36%, ending at Rs 92,448.

Brent crude price fell by 1% and closed at \$71.

BOND YIELDS

The 10 Year benchmark Indian G-sec bond yields closed at 6.740%.

The US10 year yields fell 0.83% to close at 4.155%.

CONCLUSION

In summary, the Nifty 50 rose 2.27% last week, driven by strong performances in midcap and smallcap stocks, while the RBI kept the repo rate unchanged and reduce its GDP target. Global markets rallied, particularly in the U.S. tech sector, boosting Asian markets. Commodities were mixed, with gold flat, silver up 1.36%, and Brent crude down 1%.

MARKET OVERVIEW

In the past week, the Nifty formed a strong bullish profile and closed at above past 6 week POC's after several weeks. There is some profit booking happening at higher levels, however the initiative buying represents that market does not want to trade lower. As long as nifty is trading above 24000, our positional view remains bullish. In the coming week, we expect nifty to trade with less momentum than this week. We recommend traders to follow the buy on dips strategy and buy at key support zones mentioned below.

The Banknifty also remained positive closing 2.79% higher on a week-on-week basis. As long as Bank nifty is trading above 52000, our positional view remains bullish. We recommend traders to follow the buy on dips strategy and buy at key support zones mentioned below.

KEY LEVELS

R = Resistance zone S = Support zone	R1	R2	R3	S1	S2	S3
Nifty 50	24750	24964	24240	24475	24001	23770
Banknifty	53895	54071	54444	52680	52200	52000

SECTORS TO WATCH OUT FOR THE COMING WEEK

- Key sectors to watch out for fresh buying on dips in the coming week shall be Auto, Metals, FMCG.
- Energy, IT sectors should be looked out for profit booking.

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