

Don't get swayed by news while investing

Anuj Shah

For most part of January 2019, the Nifty 50 index continued to consolidate between 10,600 and 10,950 and we believe this trend to continue for a few more sessions. Even positive news flows from global as well as domestic news flows didn't help the Nifty 50 index to decisively cross the 10,950 levels.

There isn't much action in the global market. Across the globe, the continued US-China trade challenge remains to be the biggest concern for the market. While there is a 90-day ceasefire, there is no progress between US and China on trade war. Street is hopeful and watching any kind of trade settlement between both the nations will be a huge positive for the



market.

Even domestic market is languishing due to lack of positive trigger. While the December 2018 quarterly results started on a positive note with some good results recorded by heavyweights including Reliance Industries and software bellwether Infosys and TCS, the market is on a wait and watch

mode as it would like to see performance of banks, particularly corporate facing banks and mid- and small-cap companies. Corporate facing banks are doing well, stock price for most of them are doing well and the same needs to be seen in their December 2018 ending earnings for investor confidence to continue. Any positive devel-

opment would be good news for the market.

We continue to believe that this is a buy on dip market. However, investors, particularly retail should not be swayed away with news. Traders and investors should not get trapped in this range bound market but use dips to buy and rallies to book profit. Private sector corporate banks, IT companies and select Public Sector Undertaking names provide good trading opportunities at dips. Nifty 50 index has made multiple attempt to cross 10,950 levels but failed to do so, we believe any breakout and close above 10,950 will take the Nifty 50 index higher to 11,100-11,200 in the coming few weeks.

The writer is head-privilege client group, Reliance Securities