

A volatile market is a trader's paradise

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With the Nifty 50 index at 10,400, everyone seems to be asking, is this a time to sell or time to add stocks? Well, this is a million-dollar question that everyone has in their minds. Nifty 50 index has given up all its 2018 gains in just about last 15-20 days. This is the kind of brutal selling we have seen in a long time in the Indian equity markets due to rising crude oil prices and worsening macros. Every sector has corrected in the last few weeks on the back of large foreign institutional investors (FIIs) selling, that we have witnessed in the Indian markets. FII selling has been dampening for the Indian market, but the flight to safety has seen foreign investors selling across emerging markets.

As far as Indian markets are concerned there has



SELL OR BUY?

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- Support has come from oil prices correcting and good results from big corporates

been a series of bad news from both domestic as well as global markets. Series of bad news has taken a huge toll on Indian markets, particularly the rise in crude oil prices. The crude oil rose to about \$86 per barrel. Rise in trade war between the US and China has added to the woes. Meanwhile the IL&FS default and concerns following liquidity faced by non-banking finance companies

and housing finance companies acted as a catalyst to pull down the Indian market further. But the prompt action by the government smoothed nerves in the market by trying to fix the IL&FS issue and at the same time provide enough liquidity to the NBFC and HFCs.

Market has been volatile, nervous and jittery for last few weeks, but we have seen market taking some support

at the crucial level of around 10,150, with crude oil having to take some breather and correcting to about \$80 per barrel for now and we feel that market may see some bounce back. Impressive performance from TCS and HUL has been positive indicators for our market. As we enter the earnings season, the street will reward any good numbers. After all, the Nifty 50 index has corrected 10% in last few weeks. There is no scope of disappointment, companies with poor earnings will be punished by the investor. Investors who have not sold at higher levels may use this bounce back to reduce some position and generate some cash levels. This is a trader's paradise, if one likes volatility. It's best to use this trend and trade at both sides of the market.

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