

Morning Call

04 October 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,766	59,126	-0.61%
Nifty Index	17,532	17,618	-0.49%
NSEBANK INDEX	37,226	37,425	-0.53%
NSEAUTO INDEX	10,597	10,598	-0.01%
NSEIT INDEX	34,781	35,028	-0.71%

Market depth	Advance	Decline	T/O(bn)
NSE	1,036	911	729
BSE	1,809	1,420	57

Indices	Close	Previous	Chg. %
DJIA	34,326	33,844	1.43%
NASDAQ	14,567	14,449	0.82%
S&P 500	4,357	4,308	1.15%
DAX	15,156	15,261	-0.68%
CAC 40	6,518	6,520	-0.04%
FTSE 100	7,027	7,086	-0.84%
HANG SENG	24,576	24,664	-0.36%
SSE INDEX	3,568	3,536	0.90%
NIKKIE 225	28,771	29,453	-2.31%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
M&M	3.0	BAJAJFINSV	-3.2
COALINDIA	2.0	MARUTI	-2.5
IOC	1.4	ASIANPAINT	-2.0
ULTRACEMCO	1.3	BAJFINANCE	-1.9
DRREDDY	1.2	BHARTIARTL	-1.8

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	39.7	35.6	4.2
STOCK FUT	163.1	170.9	-7.8

Markets fell for a fourth straight session

- The Bajaj twins fell on profit taking after recent gains. Bajaj FinServ lost 3.2 percent and Bajaj Finance gave up 1.9 percent.
- Shares of Crompton Greaves Consumer Electricals, JK Cement, Delta Corp and Abbott India jumped 2-10 percent after the shares were added to the futures and options (derivative) segment of the markets from the start of October series.

Global & Asian market overview

- **European stocks** closed on a weak note despite coming off the day's lows, as worries about rising inflation and slowing growth rendered the mood bearish.
- **US stocks** After seeing substantial volatility early in the session, stocks moved sharply higher over the course of the trading day. With the rally, the major averages regained ground following the steep drop seen in the previous session.
- **Asian stocks** fell broadly amid concerns the Federal Reserve might hurry to taper its stimulus to reign in the pace of inflation. Sentiment was also dented by concerns around energy price increases impacting production in China and fears that disruptions to global supply chains will continue into next year.

Industry Buzz

- **Grasim Industries:** Deputy Commissioner of Income Tax has imposed a capital gain tax on the company of Rs 8,334 crore related to a sale of shares in group firm Aditya Birla Capital during tax assessment year 2018-19. The company said it will take appropriate action against the said order which it believes is against the spirit of tax laws.
- **United Spirits:** Shareholders and unsecured creditors have approved the scheme of amalgamation and arrangement amongst Pioneer Distilleries Ltd. and the company.
- **Nestle India:** The company's new factory at Sanand in Gujarat has commenced initial phase of production.

- **Coal India:** Production in September up 0.4% year-on-year to 40.7 MT versus 40.5 MT. Offtake up 3.6% year-on-year to 48.3 MT versus 46.7 MT.
- **Pfizer:** The company has entered into a business transfer agreement with Mylan Pharmaceuticals to transfer certain primarily off-patent branded and generic established medicines business (Upjohn Business) as a going concern to Mylan for Rs 180.48 crore.
- **Tech Mahindra:** The company through its subsidiary, Tech Mahindra GmbH, has approved the proposal to acquire 100% equity shares in Beris consulting GmbH for 7 million euros. The transaction is expected to be completed by October 8.
- **Future Group** and Reliance Retail have extended deal timeline to March 2022. Reliance Retail Ventures has extended the timeline for Long Stop Date from September 30, 2021 to March 31, 2022.
- **Ambuja Cement:** The company has commenced commercial production of clinker and cement at its Marwar Greenfield Plant in Nagaur district of Rajasthan.

- **Emami:** The company's stake in Brillare Science has increase to 57.36% from 34.70% on conversion of CCPS into equity shares. Consequently, Brillare Science has become a subsidiary of the company.
- **Inox Wind:** Board to meet on October 6 to consider proposals for raising funds.
- **NIIT:** The company has acquired 70% stake in RPS Consulting to strengthen its training solutions in emerging digital technologies. The remaining 30% shareholding will be acquired by NIIT in subsequent tranches.
- **Sona BLW Precision Forgings:** The company, through its subsidiary Sona Comstar eDrive Pvt Ltd, has executed a collaboration agreement with IRP Nexus Group, through the initiative of International Center for Entrepreneurship and Technology.
- **Aurobinda Pharma:** Managing Director N Govindarajan has resigned from the post due to personal reasons. Govindarajan will be relieved from the services from the close of business on December 31.
- **EKI Energy Services:** Appointed Mohit Agarwal as Chief Financial Officer of the company w.e.f. October 1.
- **Alembic Pharmaceuticals:** Bristol-Myers sues Alembic to block generic versions of Sprycel
- **Reliance Industries:** Says forms UAE unit for trading oil, petroleum products

Indian Macro

- The Goods and Services Tax collections for September came in at Rs 1.17 lakh crore, compared with Rs 1.12 lakh crore in August, the Finance Ministry said on October 1. This takes the total GST collection for the first half of fiscal year 2021-22 (April-September) to Rs 6.82 lakh crore. This is the third consecutive month that GST collections are above the Rs 1 lakh crore mark, indicating that economic recovery post the second wave of the Covid-19 is well underway. "The GST collection figures indicate that growth of the economy is leading to stable collections, which would help in achieving the fiscal deficit target of 6.8% of GDP," said MS Mani, Senior Director, Deloitte India on GST collections. "Most of the key manufacturing states reporting a growth of 20 percent plus compared to last year does indicate that an economic revival is clearly in progress across key states," Mani said. Out of the total collection for September, Central GST was Rs 20,578 crore, State GST was Rs 26,767 crore, Integrated GST was Rs 60,911 crore and Cess was Rs 8,754 crore.
- India's power consumption grew 1.83 percent in September to 114.49 billion units (BU), showing subdued recovery according to power ministry data. In the entire month of September last year, the power consumption was 112.43 BU, higher than 107.51 BU in the same month in 2019. Experts say the recovery in power demand and consumption in September 2021 remained subdued mainly because of heavy rains in the month.

Global Macro

- Oil prices bounced back on Friday, with WTI crude trading above \$75 and remaining close to the highest since October 2018 supported by tight supplies and strong demand ahead of next week's OPEC+ meeting. The cartel is set to meet on Monday to discuss whether to boost production by 400,000 bpd or more in November and December. The crude market is also receiving support from substitution effects amid soaring natural gas prices. WTI crude futures are up almost 2% this week, the sixth consecutive week of gains.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	726	716	732	742	748
ASIANPAINT	3139	3113	3196	3222	3279
AXISBANK	759	748	765	777	783
BAJAJ-AUTO	3802	3763	3841	3880	3919
BAJAJFINSV	16872	16618	17304	17558	17990
BAJFINANCE	7443	7377	7541	7607	7705
BHARTIARTL	666	657	677	686	696
BPCL	428	424	433	437	442
BRITANNIA	3873	3842	3916	3947	3990
CIPLA	975	964	983	993	1002
COALINDIA	185	180	187	193	195
DIVISLAB	4783	4735	4829	4877	4923
DRREDDY	4882	4808	4926	5000	5044
EICHERMOT	2749	2730	2772	2791	2814
GRASIM	1644	1614	1666	1696	1718
HCLTECH	1261	1249	1273	1285	1296
HDFC	2681	2658	2716	2739	2775
HDFCBANK	1574	1558	1581	1598	1605
HDCLIFE	720	709	725	737	742
HEROMOTOCO	2821	2787	2836	2870	2885
HINDALCO	478	470	482	491	495
HINDUNILVR	2686	2667	2699	2718	2731
ICICIBANK	689	685	692	696	699
INDUSINDBK	1093	1082	1102	1113	1123
INFY	1657	1650	1668	1674	1686
IOC	125	123	127	129	131
ITC	233	231	235	237	239
JSWSTEEL	660	646	673	688	701
KOTAKBANK	1971	1952	1991	2010	2030
LT	1683	1673	1698	1708	1723
M&M	805	774	818	849	862
MARUTI	7087	7024	7154	7217	7284
NESTLEIND	19361	19110	19503	19753	19896
NTPC	136	134	140	143	147
ONGC	143	141	147	149	152
POWERGRID	189	188	191	193	195
RELIANCE	2503	2476	2521	2547	2566
SBILIFE	1201	1191	1209	1219	1227
SBIN	446	439	451	458	463
SHREECEM	28694	28330	28946	29310	29562
SUNPHARMA	812	796	822	838	847
TATACONSUM	789	781	805	813	829
TATAMOTORS	327	321	332	339	344
TATASTEEL	1271	1245	1291	1317	1337
TCS	3686	3663	3748	3771	3833
TECHM	1359	1352	1372	1379	1391
TITAN	2134	2102	2154	2186	2207
ULTRACEMCO	7422	7316	7462	7568	7608
UPL	704	693	709	720	725
WIPRO	631	626	635	641	645

Trading guidelines

- This model is based on the premise that the PIVOT is the most important price level that decides the intraday trend. Much like how the door or a window hangs by a hinge and sways in the wind, the intraday trend also hangs by this PIVOT LEVEL and swings because of the demand-supply, volatility and market sentiments prevailing in the market. Hence its importance in intraday trading.
- Wait for the market price to stabilize after opening in the first 30 minutes of trading.
- Opening Price is considered around close of previous day. Avoid BUYING if prices open abnormally high and avoid selling if prices open too low.
- If the market price is stable above the pivot level after 20-30 minutes of opening, then GO LONG and book profit near the resistant level (R1 & R2)
- If the market price is stable below the pivot level after 20-30 minutes of opening, then GO SHORT and book profit near the support level (S1 & S2)

Stop loss

Since you are aware of the 'potential returns' at the time of initiating an intraday trade (difference between the entry price and profit targets), you should set up an appropriate STOP LOSS around 1% above / below of the trade price or a level comfortable to you, to protect yourself if the market turns and goes against you.

Alternate strategy

If you have already initiated a trade with clear-cut profit targets and a stop loss level, and find during the course of the trading day that the market turns and goes the other way and crosses the TREND LEVEL, then trade again: For instance, if your first trade was a LONG trade and the market price drops through the TREND LEVEL to lower price levels, then GO SHORT and if your first trade was a SHORT trade and the market price rises through the TREND LEVEL to higher price levels, then GO LONG.

S1, S2 are the immediate support levels.

R1, R2 are the immediate resistance levels.

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