

## Morning Call

23 August 2021

Indices	Close	Previous	Chg. %
Sensex Index	55,329	55,629	-0.54%
Nifty Index	16,451	16,569	-0.71%
NSEBANK INDEX	35,034	35,555	-1.46%
NSEAUTO INDEX	9,905	10,068	-1.62%
NSEIT INDEX	33,351	33,449	-0.29%

Market depth	Advance	Decline	T/O(bn)
NSE	394	1,637	693
BSE	736	2,470	52

Indices	Close	Previous	Chg. %
DJIA	35,120	34,894	0.65%
NASDAQ	14,715	14,542	1.19%
S&P 500	4,442	4,406	0.81%
DAX	15,808	15,766	0.27%
CAC 40	6,626	6,606	0.31%
FTSE 100	7,088	7,059	0.41%
HANG SENG	24,850	25,316	-1.84%
SSE INDEX	3,427	3,466	-1.10%
NIKKIE 225	27,013	27,281	-0.98%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
HINDUNILVR	4.9	TATASTEEL	-8.9
BRITANNIA	4.1	JSWSTEEL	-7.2
ASIANPAINT	3.6	HINDALCO	-5.8
NESTLEIND	3.1	UPL	-5.0
BAJFINANCE	1.4	TATAMOTORS	-4.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	56.5	65.6	-9.1
STOCK FUT	233.3	227.9	5.4

### Markets ended lower, tracking weakness in global markets

- Tata Motors lost 4 percent even as S&P Global Ratings placed the ratings on select Tata Group firms on CreditWatch with positive implications.
- FMCG companies caught investors' attention, with Nestle India, Britannia Industries and Hindustan Unilever climbing 3-5 percent on defensive buying.

### Global & Asian market overview

- **European stocks** closed modestly higher, due largely on some bargain hunting after recent losses, but most of the markets in the region still recorded their biggest weekly decline in about six months.
- **US stocks** Following the lackluster performance seen during trading on Thursday, stocks showed a notable move to the upside during trading on Friday. The major averages all ended the day firmly in positive territory after ending the previous session on opposite sides of the unchanged line.
- **Asian stocks** retreated as the rout in Chinese technology giants deepened. A cautious undertone prevailed amid fears of slowing global growth and a potential easing in U.S. stimulus.

### Industry Buzz

- **Cadila Healthcare:** Zydus Cadila's Covid vaccine, ZyCoV-D, has received approval for Emergency Use Authorization from the Drug Controller General of India. The world's first Plasmid DNA vaccine will be administered to all above 12 years of age. ZyCov-D is a 3-dose vaccine that can be injected with the company's own needle-free system. This vaccine was developed domestically by Zydus Cadila in partnership with India's Department of Biotechnology. The company plans to manufacture 10-12 crore doses of ZyCoV-D annually.
- **Adani Total Gas:** To buy 50% stake in Smartmeters Technologies for Rs 1 crore. The acquisition is expected to be completed by September 2021.

- **Power Grid Corporation of India, India Grid Trust and Parbati Koldam Transmission Company** have executed a new shareholders agreement. PKTCL was a joint venture company of Reliance Infrastructure (74%) and Power Grid (26%). Upon transfer of shares by Reliance Infra to India Grid Trust in PKTCL, the shareholders agreement was terminated.
- **Aurobindo Pharma:** Cancelled the proposed deal to buy 51% stake in Cronus Pharma Specialities. The board of directors in its meeting held on August 20 approved the termination of the aforesaid agreements and the parties mutually agreed and terminated the said agreements.
- **Indostar Capital Finance:** Promoter Indostar Capital to exercise the greenshoe option to the extent of 6.13 lakh equity shares (representing 0.45% of the total equity share capital on a fully diluted basis) in addition to the base offer size of 61.89 lakh equity shares. The OFS opens for retail investors today.
- **TTK Prestige:** To commence normal operations at manufacturing unit at Khardi in Maharashtra from August 23. A long-term settlement has been reached with the permanent workmen at the unit, the company said. The lock-out declared by the

management on November 17, 2020, has been lifted with effect from August 20. The workmen have undertaken not to indulge in disruptive activities henceforth and have also accepted improved productivity norms, the company said.

- **Infosys:** Bought back shares worth Rs 4.22 crore on Friday.
- **Mangalore Refinery (MRPL):** Shuts one crude unit, others for maintenance
- **SpiceJet:** Introduces 14 new local flights
- **SRF:** Board to meet on August 31 to consider issuance of bonus shares subject to approval by the shareholders of the company.
- **Marico:** Florida SBA backs Marico on 4 of 5 proposals at Aug. 30 AGM
- **Nuvoco Vistas** shares to start trading after IPO, gets 1.7 times demand for shares offered.

## Indian Macro

- India's foreign exchange reserves decreased by \$2.099 billion to stand at \$619.365 billion for the week ended August 13 due to a fall in core currency assets and gold, RBI data showed. The forex kitty had increased by \$889 million to a lifetime high of \$621.464 billion in the previous reporting week. The forex kitty had increased by \$889 million to a lifetime high of \$621.464 billion in the previous reporting week. Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.
- The government has discontinued the Credit Linked Capital Subsidy Scheme for Technology Upgradation, the Ministry of Micro, Small and Medium Enterprises said in a circular dated August 12. Industry bodies have urged the government to revive the scheme that provided a capital subsidy of 15 percent on institutional finance of up to Rs 1 crore availed by MSMEs for upgradation of their plant and machinery with the latest technology. One of the pressing issues that is impeding the growth of MSMEs in India is the lack of modern technology and equipment, thus making the small businesses unattractive in the export market, industry officials and trade bodies say.
- The monetary policy committee (MPC) is conscious of its objective of anchoring inflation expectations, the MPC Minutes, that was released on August 20, read out. The MPC also suggests that the outlook for aggregate demand is improving, but still weak and overcast by the pandemic. There is a large amount of slack in the economy, with output below its pre-pandemic level. MPC's current assessment was that the inflationary pressures during Q1 2021-22 were largely driven by the adverse supply shocks and are expected to be transitory. The MPC suggests that while the government has taken certain steps to ease supply constraints, efforts in this direction are necessary to restore the demand-supply balance.
- India has cut import taxes on crude and refined soybean oil and sunflower oil by 7.5%, according to a government order, as part of efforts to keep a lid on prices. India is the world's biggest vegetable oil importer and spends an average of \$8.5-\$10 billion annually on edible oil imports. The country produces less than half of the roughly 24 million tonnes of edible oil that it consumes annually. It imports the rest, buying palm oil from Indonesia and Malaysia, soybean oil from Brazil and Argentina, and sunflower oil, mainly from Russia and Ukraine.

## Global Macro

- WTI crude futures settled 2.2% lower at a 3-month low of \$62.32 a barrel on Friday, extending losses for the 7th straight day and stretching the week's decline to 8.9%. It was the longest losing streak since 2019 and the biggest week of losses in more than nine months as the ongoing spread of the Delta strain of COVID-19 and weak economic data raised concerns the global economic recovery might be diminished as several countries re-introduced travel restrictions and limit air traffic.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	669	662	688	695	713
ASIANPAINT	3047	2963	3085	3169	3208
AXISBANK	733	728	741	745	754
BAJAJ-AUTO	3690	3659	3758	3790	3857
BAJAJFINSV	14776	14613	14962	15124	15311
BAJFINANCE	6498	6339	6616	6776	6893
BHARTIARTL	597	589	615	623	641
BPCL	448	444	457	461	469
BRITANNIA	3709	3506	3838	4041	4170
CIPLA	879	872	894	901	916
COALINDIA	134	133	136	137	139
DIVISLAB	4741	4670	4828	4899	4987
DRREDDY	4464	4410	4562	4616	4714
EICHERMOT	2533	2472	2583	2644	2693
GRASIM	1463	1455	1483	1491	1511
HCLTECH	1103	1088	1122	1137	1156
HDFC	2692	2674	2715	2732	2756
HDFCBANK	1497	1475	1509	1531	1542
HDCLIFE	657	647	666	676	685
HEROMOTOCO	2660	2641	2701	2720	2760
HINDALCO	395	390	405	409	420
HINDUNILVR	2530	2426	2580	2684	2734
ICICIBANK	677	672	681	686	690
INDUSINDBK	969	960	980	989	1000
INFY	1715	1701	1730	1744	1759
IOC	102	101	104	104	106
ITC	206	205	209	210	213
JSWSTEEL	664	653	693	705	734
KOTAKBANK	1688	1675	1710	1723	1745
LT	1576	1566	1599	1609	1632
M&M	779	770	785	794	800
MARUTI	6772	6709	6843	6906	6978
NESTLEIND	18957	18213	19299	20043	20385
NTPC	113	111	115	116	118
ONGC	108	107	110	111	113
POWERGRID	177	175	178	180	181
RELIANCE	2123	2112	2147	2158	2182
SBILIFE	1101	1084	1117	1134	1150
SBIN	400	396	409	412	421
SHREECEM	25990	25678	26178	26490	26677
SUNPHARMA	741	721	763	782	804
TATACONSUM	827	814	840	852	865
TATAMOTORS	277	274	284	286	293
TATASTEEL	1326	1302	1386	1410	1471
TCS	3514	3470	3545	3589	3620
TECHM	1371	1346	1396	1421	1445
TITAN	1853	1838	1873	1887	1907
ULTRACEMCO	7385	7316	7505	7575	7694
UPL	706	696	732	742	768
WIPRO	612	608	622	626	636

## 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.**

**Cholamandalam Securities Limited**  
Member: BSE, NSE, MSE  
Regd. Office: Dare House, 2 (Old) # 234 N.S.C Bose Road, Chennai – 600 001.  
Website: www.cholawealthdirect.com  
Email id – customercarewm@chola.murugappa.com  
CIN U65993TN1994PLC028674

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RESEARCH			
Kedar S Kadam	DGM & Head of Research	+91-44 - 4004 7361	kedarsk@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44 - 4004 7353	mugilank@chola.murugappa.com
Arjun Prasad Pasumarthi	Fundamental Analyst	+91-44 - 4004 7363	arjunpp@chola.murugappa.com
Nilesh Patil	Fundamental Analyst	+91-44 - 4004 7266	nileshmp@chola.murugappa.com
Ammar Haider	Associate	+91-44 - 4004 7360	amarh@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Gayathri Devi	Customer service	1800 425 4477	gayathrids@chola.murugappa.com

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## Cholamandalam Securities Limited

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.30007172 / 91.44.30007370 Fax: 91.44.30007373

Website: www.cholawealthdirect.com

CIN – U65993TN1994PLC028674