

Morning Call

23 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,927	59,005	-0.13%
Nifty Index	17,547	17,562	-0.09%
NSEBANK INDEX	36,945	37,236	-0.78%
NSEAUTO INDEX	10,285	10,156	1.27%
NSEIT INDEX	36,422	36,086	0.93%

Market depth	Advance	Decline	T/O(bn)
NSE	1,358	659	687
BSE	2,074	1,175	62

Indices	Close	Previous	Chg. %
DJIA	34,258	33,920	1.00%
NASDAQ	14,897	14,746	1.02%
S&P 500	4,396	4,354	0.95%
DAX	15,507	15,349	1.03%
CAC 40	6,637	6,553	1.29%
FTSE 100	7,083	6,981	1.47%
HANG SENG	24,222	24,099	0.51%
SSE INDEX	3,628	3,614	0.40%
NIKKIE 225	29,639	29,840	-0.67%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
COALINDIA	3.6	NESTLEIND	-1.5
TECHM	3.6	HDFC	-1.4
HINDALCO	2.7	ICICIBANK	-1.2
TATAMOTORS	2.7	ONGC	-1.2
M&M	2.0	HDFCBANK	-1.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	28.0	37.6	-9.6
STOCK FUT	220.4	205.1	15.3

Markets closed on a weak note

- Automobile, information technology and metal stocks moved higher. Realty and media stocks were in demand again, while bank stocks were weak.
- Among realty stocks, Godrej Properties soared more than 13 percent, DLF climbed 11.5 percent and Indiabulls Real Estate spurted nearly 9 percent, while Phoenix and Sobha Developers gained 6.25 percent and 6.7 percent, respectively.

Global & Asian market overview

- **European stocks** closed on a firm note, gaining for a second successive day, as investors picked up stocks, shrugging off concerns about Chinese real estate major Evergrande's debt woes, and looked ahead to the Federal Reserve's policy announcement, due later in the day.
- **US stocks** Following the Federal Reserve's highly anticipated monetary policy announcement, stocks closed sharply higher during trading. The major averages remained firmly positive on the heels of the Fed announcement after showing a strong move to the upside in morning trading.
- **Asian stocks** markets traded mixed, as the looming Fed announcement and Evergrande continued to reverberate, albeit on a lesser note. Chinese stock markets resumed trading after local holidays but were not overwhelmed by the Evergrande fiasco.

Industry Buzz

- **Adani Ports and SEZ:** The company has acquired a 10.4% stake of Gangavaram Port from the government of Andhra Pradesh for Rs 645 crore. Both boards have also approved the merger of Adani Ports and Gangavaram Port at a swap ratio of 159:1,000 shares. The merger has an appointed date of April 1, 2021, and is expected to conclude by March 31, 2022. With this stake purchase, Adani Ports has completed the acquisition of Gangavaram Port for an equity value of Rs 6,200 crore.

- **Jubilant Ingrevia:** Jubilant Life Sciences International Pte., Singapore, a wholly owned subsidiary of the company, has divested its entire 10% stake held in Safe Foods Corporation for \$18.2 million (approximately Rs 132.4 crore).
- **Piramal Enterprises:** To consider issue of secured NCDs up to Rs 200 crore along with an option to retain oversubscription up to Rs 200 crore, the total size aggregating up to Rs 400 crore on private placement basis, on September 27.
- **Amtek Auto:** The company's shares will be delisted from exchanges from September 27. Insolvency Professional of the company has appointed Ram Singh Poswal as CEO of the company.
- **Infosys:** The company has collaborated with Amazon Web Services to develop quantum computing capabilities and use cases. Infosys will use Amazon Braket to explore and build multiple use cases in quantum computing as part of Infosys Cobalt cloud offerings.

- **IDFC:** Shareholders voted against a resolution to appoint Vinod Rai as non-independent, non-executive director on the company's board. At the AGM, 62.3% of the shareholders voted against the proposal, with only 37.7% in favour. Rai is currently the non-executive chairman of IDFC and his term as an independent director ended on July 30.
- **Sarda Energy & Minerals:** Chhattisgarh State Electricity Regulatory Commission has approved a provisional tariff for the 113 MW hydropower project of subsidiary Madhya Bharat Power Corporation, considering 85% of the cost of the project incurred as of March 2021 with return on equity of 15.5% per annum.

Indian Macro

- There is a significant difference of opinion within the government on the draft e-commerce rules put out by the consumer affairs ministry, a top government official said and flagged concerns that continuous change of the policy causes a great deal of uncertainty. The official said that unnecessary fear is created that the government's current e-commerce policy is hurting small traders. "There is a significant difference of opinion within the government on the draft Consumer Protection (e-commerce) Rules put out by the consumer affairs ministry... Continuous change of the policy causes a great deal of uncertainty," the official said on the condition of anonymity.
- The Asian Development Bank (ADB) has lowered India's growth projections for the current financial year by a percentage point to 10 per cent, mainly due to disruptions in economic activity caused by the second wave of the COVID-19 pandemic. In April, ADB had projected a growth rate of 11 per cent in 2021-22 for India. In its update of the Asian Development Outlook (ADO) released on Wednesday, the multilateral lending agency has also trimmed the growth forecast for Asia as a region from 7.3 per cent to 7.1 per cent for 2021, though it retained the growth projections for China at 8.1 per cent.
- There are signs that the word is emerging from the impact of coronavirus pandemic, said Reserve Bank of India (RBI) Governor Shaktikanta Das on September 22, while speaking at the 48th AIMA National Management Convention. Covid-19 is a watershed event in our era, Das said, adding it has caused widespread devastation of lives and livelihoods. There are very few parallels to this shock, Das said. "The pandemic is likely to leave indelible marks on the world economy," Das said, adding that it has affected the poor and the vulnerable more.
- The government will finally launch its one-stop portal for foreign and domestic investors on September 22, in a major step to help entrepreneurs secure the plethora of clearances needed to establish and run a business in India. More than half a decade after it was initially announced as an integral component of Prime Minister's Narendra Modi's Make in India plan, the single-window portal has finally been given finishing touches by the Department for Promotion of Industry and Internal Trade (DPIIT). The one-stop digital portal has been in the making since 2016 but had run into a plethora of administrative and implementation challenges. It had also missed several deadlines over this period.

Global Macro

- The People's Bank of China injected a total CNY 120 billion of reverse repos to maintain liquidity in the banking system on September 23rd, 2021. The injection comes at a time when China's second largest private property developer Evergrande faced a Thursday deadline to pay interest on one of its dollar bonds. The amount included CNY 60 billion of seven-day reverse repos at an interest rate of 2.2 percent, and CNY 60 billion of 14-day reverse repos at an interest rate of 2.35 percent.
- The British pound weakened below \$1.37 on Wednesday, its lowest level since August 20th, as investors digest the latest Fed statement and await the Bank of England monetary policy decision. The Fed signaled tapering could soon begin and rate hikes could be raised early than expected and officials in the UK are seen adopting a hawkish tone due to

inflationary pressure. Meanwhile, data last week showed UK retail sales unexpectedly declined for a fourth consecutive month in August while the inflation rate jumped more than expected to a nearly nine-year high.

- The Fed left the fed funds rate steady at 0-0.25% and bond-buying at the current \$120 billion monthly pace during the September 2021 meeting, in line with forecasts. Still, the central bank said the economy has made progress toward employment and inflation goals and that if progress continues broadly as expected, a moderation in the pace of asset purchases may soon be warranted. The Fed also signalled interest rate increases may follow more quickly than expected, with 9 of 18 policymakers projecting borrowing costs will need to rise in 2022. The Fed sees the economy growing 5.9% in 2021, less than 7% in the June projection but to expand faster in both 2022 (3.8% vs 3.3% in the June projection) and 2023 (2.5% vs 2.4%). PCE inflation is seen higher in 2021 (4.2% vs 3.4%) and 2022 (2.2% vs 2.1%). The unemployment rate is also expected higher this year (4.8% vs 4.5%).

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	737	731	748	755	766
ASIANPAINT	3299	3273	3314	3341	3356
AXISBANK	783	779	790	794	801
BAJAJ-AUTO	3730	3702	3750	3778	3798
BAJAJFINSV	17506	17368	17643	17781	17918
BAJFINANCE	7718	7683	7807	7842	7931
BHARTIARTL	723	720	728	731	735
BPCL	417	412	419	424	426
BRITANNIA	4022	4008	4064	4078	4119
CIPLA	953	941	964	976	986
COALINDIA	158	153	160	166	168
DIVISLAB	5101	5083	5144	5163	5206
DRREDDY	4816	4781	4848	4883	4914
EICHERMOT	2821	2796	2850	2876	2905
GRASIM	1553	1532	1568	1589	1603
HCLTECH	1301	1286	1315	1331	1344
HDFC	2709	2685	2741	2765	2798
HDFCBANK	1526	1518	1538	1546	1558
HDCLIFE	727	725	734	737	743
HEROMOTOCO	2828	2809	2844	2862	2879
HINDALCO	457	449	461	469	473
HINDUNILVR	2753	2730	2796	2819	2862
ICICIBANK	697	693	706	710	719
INDUSINDBK	1128	1113	1143	1157	1172
INFY	1703	1695	1721	1729	1747
IOC	116	114	116	117	118
ITC	240	238	243	246	248
JSWSTEEL	669	659	676	687	694
KOTAKBANK	1969	1952	1996	2013	2039
LT	1695	1689	1713	1719	1737
M&M	743	730	751	763	771
MARUTI	6791	6757	6818	6852	6879
NESTLEIND	19712	19579	19943	20075	20307
NTPC	123	122	125	126	128
ONGC	132	131	134	135	137
POWERGRID	176	175	177	178	178
RELIANCE	2409	2382	2425	2453	2469
SBILIFE	1177	1165	1190	1203	1216
SBIN	437	433	440	443	446
SHREECEM	29512	29207	29880	30184	30552
SUNPHARMA	766	760	770	775	779
TATACONSUM	849	845	856	860	868
TATAMOTORS	305	298	309	315	320
TATASTEEL	1286	1267	1302	1320	1337
TCS	3835	3821	3866	3879	3910
TECHM	1478	1432	1503	1550	1575
TITAN	2059	2047	2085	2096	2122
ULTRACEMCO	7564	7524	7617	7657	7710
UPL	719	710	723	732	735
WIPRO	664	658	669	675	681

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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