

Morning Call

08 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,279	58,297	-0.03%
Nifty Index	17,362	17,378	-0.09%
NSEBANK INDEX	36,469	36,592	-0.34%
NSEAUTO INDEX	10,153	10,167	-0.14%
NSEIT INDEX	34,951	35,415	-1.31%

Market depth	Advance	Decline	T/O(bn)
NSE	685	1,301	576
BSE	1,283	1,898	49

Indices	Close	Previous	Chg. %
DJIA	35,100	35,369	-0.76%
NASDAQ	15,374	15,364	0.07%
S&P 500	4,520	4,535	-0.34%
DAX	15,843	15,932	-0.56%
CAC 40	6,726	6,744	-0.26%
FTSE 100	7,149	7,187	-0.53%
HANG SENG	26,354	26,164	0.73%
SSE INDEX	3,677	3,622	1.51%
NIKKIE 225	29,916	29,660	0.86%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
BHARTIARTL	2.6	SUNPHARMA	-2.2
HDFC	2.5	BPCL	-1.8
GRASIM	1.6	HINDALCO	-1.8
ITC	1.2	AXISBANK	-1.7
INDUSINDBK	1.0	WIPRO	-1.6

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	43.2	38.8	4.3
STOCK FUT	124.8	135.7	-10.9

Markets retreated from record highs to end on a flat note after a highly volatile session.

- The rupee plunged 32 paise to close at 73.42 (provisional) against the greenback, tracking a firmer dollar in overseas markets and an uptick in U.S. Treasury yields.
- Market participants also looked ahead to Thursday's meeting of the European Central Bank, which may act to slow down its massive bond-buying program in light of recent stronger-than-expected inflation data.

Global & Asian market overview

- **European stocks** ended lower after a cautious session amid signs of a slowdown in global economic recovery due to the surge in coronavirus cases of the Delta variant.
- **US stocks** The major U.S. averages ended mixed after a somewhat cautious session with investors weighing the likely impact of surging coronavirus of the Delta variant on the pace of economic recovery. The Nasdaq closed at a fresh record high, while the Dow and the S&P 500 drifted lower. Expectations that the Federal Reserve will hold its accommodative monetary policy for a longer duration helped limit market's downside.
- **Asian stocks** ended broadly higher, aided by hopes that U.S. interest rates would stay low for longer. Trading volumes were thin in the absence of fresh cues from Wall Street, which was closed overnight for a holiday.

Industry Buzz

- **Wipro:** The company has partnered with Securonix to deliver managed security services. Securonix's cloud-first SIEM, analytics-driven detection and automated response tools with Wipro's global reach and cybersecurity intelligence capabilities will provide organizations with improved governance and security threat protection, the company said.

- **Dr Reddy's Laboratories:** Citius buys Dr Reddy's license for Oncology Immunotherapy
- **MAS Financial Services:** The company has entered into a strategic co-lending partnership with Bank of India for lending to micro, small and medium enterprises.
- **TVS Motor Company:** Appointed ETG Logistics as new distributor. ETGL will operate 30 dealerships for TVS Motor in South Africa as part of this partnership.
- **EID-Parry (India):** To set up 120 KLPD Grain/Sugar Syrup/Molasses based distillery at the company's Sankili unit in Andhra Pradesh. The distillery will cost company Rs 92.50 crore and the work is expected to be completed by November 2022.
- **ICRA:** Life Insurance Corporation of India sold more than 2.07 lakh equity shares of the company, reducing shareholding to 5.81% from 7.96% earlier.
- **National Fertilizers:** Appointed Nirlep Singh Rai as Chariman and Managing Director of the company effective September 6.

- **PSP Projects:** The company is in receipt of Letter of Intent(s) for projects worth Rs 132.57 crore towards industrial and precast segment from different clients in Gujarat.
- **Vidhi Specialty Food Ingredients:** The company has set up 2 MW Solar Power Plant at Rambhapur in Akola, Maharashtra.
- **Setco Automotive:** India Resurgence Fund, of Piramal Enterprises and Bain Capital Credit, to invest Rs 615 crore in Setco group

Indian Macro

- The country's premier container handling port JNPT on Tuesday said it recorded a 28.45 percent growth in container traffic at 4,53,105 TEUs in August, with its Nhava Sheva International Gateway Terminal (NSIGT) handling 98,473 TEUs. The NSIGT registered the highest ever traffic in August this year since its inception. The total traffic handled at JNPT in the first five months of the current fiscal rose 40.42 percent to 30.45 million tonnes. In the year-ago period, it was at 21.68 million tonnes, Jawaharlal Nehru Port Trust (JNPT) said in a release. The container traffic handled at JNPT during the April-August period of the current financial year stood at 2,250,943 TEUs, an increase of 45.70 percent compared to the same period a year ago. In the comparable period, it was at 1,544,900 TEUs. According to the release, the port handled 79,583 TEUS of Inland Container Depot (ICD) traffic from 500 rakes in August.
- Former RBI deputy governor R Gandhi made a case for treating and regulating crypto as a separate asset class with a view to enabling governments around the world to effectively deal with illegal activities associated with virtual currencies. After quite a lot of debate over the years, he said, people have fully understood that crypto cannot be a currency because the fundamental element of a currency- that it should be a legal tender- is missing in this case. He said that in this case, one cannot compel a crypto currency to be accepted by another person as it is not a legal tender. The general consensus among many policymakers is that it should be deemed as an asset, not as a currency, not as a payment instrument and not as a financial instrument as there is no clear identified issuer, he said.
- The Centre will increase the farmer database from the current 5.5 crore to 8 crore by December this year with the support of states, Agriculture Minister Narendra Singh Tomar said. In a video conference with the state chief ministers, Tomar asked state governments to create a database for the state using the federated farmer database prepared by the central government and allow linkage to the state land record database. "The Ministry of Agriculture and Farmers Welfare has created a database of 5.5 crore farmers and it will be increased to 8 crore farmers by December 2021 with the help of state governments," an official statement quoted Tomar saying in the conference.

Global Macro

- Bitcoin slumped to as low as \$42900 on Tuesday, the lowest in a month before paring some losses to trade around \$47000, on news that El Salvador government temporarily disabled Chivo, its government-run bitcoin wallet. Meanwhile, President Nayib Bukele tweeted that the government had temporarily unplugged it, in order to connect more servers to deal with demand and said the app was again available for download. On Tuesday, El Salvador adopted the largest cryptocurrency by market cap as legal tender, becoming the first country to do so.
- The yield on the benchmark 10-year Treasury note rose to almost 1.38% on Tuesday, its highest level since July 13th, as concerns grew over the spread of the coronavirus delta variant and its impact on economic recovery. Last Friday, data showed the US economy added 235K jobs in August, a seven-month low and well below forecasts of 750K as a surge in COVID-19 infections may have discouraged companies from hiring and workers from actively looking for a job and sharp increase in wages added to inflation concerns. Also, the expectations that the Federal Reserve would soon start tapering its bond-buying program were tempered as the central bank is closely monitoring the recovery in the labor market.

- The British pound depreciated towards \$1.38 on Tuesday, after Prime Minister Boris Johnson set out plans to raise taxes on workers, employers and some investors to pay for social care costs and the NHS. Johnson announced the government would raise the rate of National Insurance payroll taxes paid by workers and employers by 1.25 percentage points. The same increase would be applied to the tax on shareholder dividends. The move angered some in his governing party as it breaks an election promise, while business groups warned that the plan will hit the economy and cost jobs. On the monetary policy front, BoE policymaker Michael Saunders said the central bank may need to raise interest rates next year if growth continues and inflation becomes stickier.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	738	733	747	752	760
ASIANPAINT	3298	3275	3346	3368	3417
AXISBANK	779	772	789	796	807
BAJAJ-AUTO	3750	3737	3775	3788	3814
BAJAJFINSV	16614	16466	16779	16928	17093
BAJFINANCE	7369	7309	7468	7528	7627
BHARTIARTL	656	636	668	688	701
BPCL	476	472	485	488	497
BRITANNIA	4067	4049	4098	4117	4148
CIPLA	944	937	951	957	964
COALINDIA	146	144	147	148	149
DIVISLAB	5182	5154	5209	5237	5264
DRREDDY	4852	4819	4889	4922	4959
EICHERMOT	2773	2753	2827	2847	2901
GRASIM	1534	1503	1546	1577	1589
HCLTECH	1167	1156	1191	1201	1226
HDFC	2781	2714	2818	2885	2921
HDFCBANK	1557	1543	1569	1583	1596
HDCLIFE	727	723	735	740	748
HEROMOTOCO	2776	2767	2801	2810	2835
HINDALCO	455	452	464	467	475
HINDUNILVR	2755	2743	2782	2793	2820
ICICIBANK	711	706	717	721	727
INDUSINDBK	988	972	1000	1016	1028
INFY	1693	1683	1714	1723	1745
IOC	111	110	112	113	113
ITC	210	208	212	214	216
JSWSTEEL	676	672	687	692	702
KOTAKBANK	1748	1730	1764	1782	1797
LT	1670	1662	1688	1696	1713
M&M	748	743	754	759	764
MARUTI	6840	6809	6885	6916	6961
NESTLEIND	20197	20068	20295	20423	20521
NTPC	115	114	116	117	118
ONGC	119	118	121	122	124
POWERGRID	172	171	173	174	175
RELIANCE	2416	2391	2437	2462	2483
SBILIFE	1222	1213	1238	1248	1263
SBIN	425	422	428	431	435
SHREECEM	30394	30020	30633	31006	31246
SUNPHARMA	759	755	771	776	787
TATACONSUM	855	848	872	879	896
TATAMOTORS	291	288	294	298	301
TATASTEEL	1402	1392	1431	1441	1469
TCS	3793	3770	3831	3855	3893
TECHM	1418	1405	1445	1458	1486
TITAN	2017	2001	2029	2044	2056
ULTRACEMCO	7956	7859	8008	8104	8156
UPL	743	738	751	757	765
WIPRO	667	661	678	684	696

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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