

Morning Call

22 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	59,005	58,491	0.88%
Nifty Index	17,562	17,397	0.95%
NSEBANK INDEX	37,236	37,146	0.24%
NSEAUTO INDEX	10,156	10,203	-0.46%
NSEIT INDEX	36,086	35,400	1.94%

Market depth	Advance	Decline	T/O(bn)
NSE	978	1,037	687
BSE	1,528	1,700	50

Indices	Close	Previous	Chg. %
DJIA	33,920	33,970	-0.15%
NASDAQ	14,746	14,714	0.22%
S&P 500	4,354	4,358	-0.08%
DAX	15,349	15,132	1.43%
CAC 40	6,553	6,456	1.50%
FTSE 100	6,981	6,904	1.12%
HANG SENG	24,222	24,099	0.51%
SSE INDEX	3,614	3,607	0.19%
NIKKIE 225	29,840	30,500	-2.17%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
JSWSTEEL	6.0	MARUTI	-2.5
ONGC	5.2	BPCL	-1.5
BAJFINANCE	5.1	HEROMOTOCO	-1.2
INDUSINDBK	4.6	BAJAJ-AUTO	-1.2
TATASTEEL	3.5	NESTLEIND	-0.9

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	58.7	55.8	2.8
STOCK FUT	181.2	183.0	-1.8

Markets climbed higher and ended on a buoyant note

- The early weakness was due to the sell-off in the U.S. and European markets and somewhat sluggish Asian stocks this morning, amid concerns over the likely impact of Chinese realty major Evergrande's debt woes.
- Investors also appeared a bit reluctant to make significant moves early on in the session as they awaited the Federal Reserve's monetary policy announcement.

Global & Asian market overview

- **European stocks** closed on a strong note, rebounding smartly after suffering sharp losses in the previous session amid worries about Chinese real estate major Evergrande's debt woes.
- **US stocks** showed a lack of direction over the course of the trading session following the sell-off seen during trading on Monday. The major averages spent the day bouncing back and forth across the unchanged line before closing narrowly mixed.
- **Asian stocks** traded mixed as global markets braced for a tryst with the much-feared "credit event" at China Evergrande, China's prolific property developer. Interest payments on the company's bonds are due later in the week and S&P Global warned that the company was in the brink of default.

Industry Buzz

- **Torrent Power** to acquire Surya Vidyut at Enterprise Value of Rs 790 crore. The company has entered into a Share Purchase Agreement with CESC, Haldia Energy and other nominal shareholders for the acquisition of 100% of the share capital of Surya Vidyut, a wholly owned subsidiary of CESC. The acquisition is expected to be completed within 60 days. Surya Vidyut operates 156 MW Wind power plants, spread across the states of Gujarat, Rajasthan and Madhya Pradesh.
- **Nucleus Software Exports:** Board will consider buyback of shares on September 24.

- **KEC International:** The company has secured new orders of Rs 1,157 crore across its various businesses.
- **Infosys:** The company has collaborated with ServiceNow, a digital workflow company, to provide enterprise-level service management for customers in manufacturing industries. Infosys will leverage its industry cloud blueprints, part of Infosys Cobalt, and deploy ServiceNow Operations Technology Management, to support manufacturing industries as they digitise their factories, floors, and plant operations.
- **Vikas Lifecare:** The company's Agro Products division has received the largest single export order to date, amounting \$1 million.
- **Surya Roshni:** The company has received order of Rs 41.22 crore for implementing of smart LED streetlights and installation of centralised monitoring system with operation and maintenance for 7 years from Greater Noida Industrial Development Authority.

- **Bhansali Engineering Polymers:** The company has received environmental clearance from the government for expansion of High Rubber Graft (Rubber Rich ABS) unit from 15,000 TPA to 50,000 TPA for company's Satnoor Plant located at Chhindwara in Madhya Pradesh.
- **PDS Multinational Fashions:** Smart Notch Industrial, a subsidiary of the company, has completed the acquisition Filkor on September 21 for ₹500,000. The investment is in line with the Sustainability and Circularity goals of the company.
- **MTAR Technologies:** The company has received NADCAP certification for its 100% Export Orient Unit and Unit 5 in Telangana.

Indian Macro

- Swiss exports of gold to India jumped to a five-month high in August while shipments to China fell, Swiss customs data showed on Tuesday. Switzerland is the world's largest bullion refining centre and transit hub and its data give insight into global demand trends. China and India are the largest consumers of gold. In 2020, Swiss shipments to China and India plunged as the coronavirus spread, and exports to India fell again this year when the Delta variant of the virus took hold there.
- The Indian automobile industry is one of the key sectors stimulating India's economic growth. The industry is known for extending significant support to various other sectors such as logistics, passenger transportation, agriculture, etc. Being a major driver of manufacturing Gross Domestic Product (GDP), exports and employment, the industry has exhibited that India can be a prime destination for expansion. In recent times, the automobile sector has been closely identified with increasing air pollution levels, causing serious environmental, and health impacts. Governments across the globe, India included, are under pressure to monitor pollution levels, and they have also sworn to bring down emissions by 2030. In addition to these, the sector has been severely impacted due to COVID-19-related restrictions and economic constraints.
- India's plan to tighten rules on its fast-growing e-commerce market has run into internal government dissent, memos reviewed by Reuters show, with the Ministry of Finance describing some proposals as "excessive" and "without economic rationale". The memos offer a rare glimpse of high-stakes policy-making governing a market already featuring global retail heavyweights from Amazon to Walmart, plus domestic players like Reliance Industries and Tata Group. The sector is forecast by Grant Thornton to be worth \$188 billion by 2025.
- Union minister Nitin Gadkari has said that Chinese companies have not made investments in highway projects in India in recent times. Amid the border standoff with China, Gadkari, in July 2020, had said that India will not allow Chinese companies to participate in highway projects, including those through joint ventures. To a query by PTI on whether Chinese companies have invested in India's highway projects in the recent times, Gadkari replied in the negative.

Global Macro

- Stocks of crude oil in the United States tumbled by 6.108 million barrels in the week ended September 17th of 2021, following a 5.437 million barrels drop in the previous week, above market expectations of a 2.400 million decline. It was the biggest draw since the week ended on July 2nd, 2021 marking the eighth straight weekly decline.
- The current account gap in the US widened to \$190 billion, or 3.3% of the GDP in the second quarter of 2021 from a downwardly revised \$89 billion in the prior period and compared to forecasts of a \$191 billion shortfall. It is the highest current account deficit since the Q2 of 2007, mainly reflecting reduced surpluses on services and on primary income that were mostly offset by a reduced deficit on secondary income. The services surplus shrank to \$61 billion from \$63 billion in Q1 amid higher demand for sea freight and air passenger transport and other personal travel; and the primary income surplus also fell slightly to \$49 billion from \$50 billion. Also, the secondary income gap narrowed to \$31 billion from \$34

billion, with decreases in both receipts and payments. The goods deficit rose slightly to \$269.7 billion from \$268.9 billion in Q1, led by imports of industrial supplies and materials, mainly petroleum and products and metals and nonmetallic products.

	S1	S2	PIVOT	R1	R2
ADANI PORTS	740	725	750	765	774
ASIANPAINT	3276	3242	3306	3340	3370
AXISBANK	781	763	790	808	817
BAJAJ-AUTO	3683	3641	3738	3781	3836
BAJAJFINSV	17169	16571	17412	18010	18253
BAJFINANCE	7597	7276	7722	8043	8168
BHARTIARTL	717	710	729	736	748
BPCL	409	405	416	420	427
BRITANNIA	4044	4019	4078	4102	4136
CIPLA	942	925	951	968	977
COALINDIA	154	152	156	159	161
DIVISLAB	5126	5049	5157	5234	5266
DRREDDY	4786	4706	4825	4904	4944
EICHERMOT	2811	2765	2836	2882	2907
GRASIM	1537	1513	1551	1575	1589
HCLTECH	1280	1259	1297	1318	1335
HDFC	2745	2707	2763	2801	2819
HDFCBANK	1534	1511	1551	1573	1591
HDFCLIFE	729	720	734	743	747
HEROMOTOCO	2815	2774	2855	2895	2935
HINDALCO	444	435	448	458	462
HINDUNILVR	2777	2755	2818	2839	2881
ICICIBANK	704	689	709	724	729
INDUSINDBK	1111	1069	1127	1169	1185
INFY	1697	1670	1712	1739	1754
IOC	114	112	115	116	117
ITC	236	229	239	247	250
JSWSTEEL	649	617	661	693	704
KOTAKBANK	2000	1982	2014	2032	2046
LT	1711	1682	1721	1749	1759
M&M	733	726	737	745	748
MARUTI	6681	6611	6810	6879	7009
NESTLEIND	19975	19825	20152	20303	20480
NTPC	122	121	124	126	127
ONGC	132	127	134	139	141
POWERGRID	174	173	176	177	179
RELIANCE	2384	2368	2400	2416	2433
SBILIFE	1172	1159	1184	1197	1209
SBIN	435	430	438	444	447
SHREECEM	29621	29119	29988	30489	30856
SUNPHARMA	755	745	760	770	776
TATA CONSUM	853	845	859	867	872
TATA MOTORS	297	290	300	306	309
TATA STEEL	1265	1217	1281	1329	1345
TCS	3837	3804	3854	3887	3904
TECHM	1437	1406	1452	1483	1498
TITAN	2071	2049	2084	2107	2120
ULTRACEMCO	7525	7433	7607	7699	7780
UPL	708	690	718	736	746
WIPRO	662	653	665	674	677

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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