

Morning Call

24 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	59,885	58,927	1.63%
Nifty Index	17,823	17,547	1.57%
NSEBANK INDEX	37,772	36,945	2.24%
NSEAUTO INDEX	10,373	10,285	0.86%
NSEIT INDEX	36,817	36,422	1.08%

Market depth	Advance	Decline	T/O(bn)
NSE	1,244	783	741
BSE	1,913	1,347	11

Indices	Close	Previous	Chg. %
DJIA	34,765	34,258	1.48%
NASDAQ	15,052	14,897	1.04%
S&P 500	4,449	4,396	1.21%
DAX	15,644	15,507	0.88%
CAC 40	6,702	6,637	0.98%
FTSE 100	7,078	7,083	-0.07%
HANG SENG	24,511	24,222	1.19%
SSE INDEX	3,642	3,628	0.38%
NIKKIE 225	29,639	29,840	-0.67%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
BAJAJFINSV	4.6	HDFCLIFE	-1.1
HINDALCO	4.5	DRREDDY	-1.0
LT	3.7	JSWSTEEL	-0.6
TATAMOTORS	3.5	TATACONSUM	-0.5
COALINDIA	3.3	ITC	-0.5

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	47.1	39.7	7.4
STOCK FUT	180.8	174.3	6.5

Markets, Nifty climbed to fresh record highs

- Optimism about the progress of the monsoon and strong economic recovery lifted the market.
- Expectations about the vaccination drive gathering greater momentum contributed as well to the rally in the market. Investors shrugged off concerns about Chinese real estate major Evergrande's woes, and the Fed's hint that a tapering of its bond-buying program might start "soon."

Global & Asian market overview

- **European stocks** moved higher amid continued optimism about growth, and easing concerns about Evergrande's debt after the Chinese central bank's infusion of massive capital into the country's banking system.
- **US stocks** moved sharply higher during trading, adding to the strong gains posted in the previous session. With the continued advance, the major averages more than offset the sell-off seen on Monday, turning positive for the week.
- **Asian stocks** rallied as investors digested the Fed's plans to taper its stimulus program and fears of a corporate collapse in China receded after China Evergrande reached a settlement with mainland bondholders. Despite anxiety over whether the company would default on its coupon dues on a dollar bond on Thursday, most markets in the region moved in positive territory.

Industry Buzz

- **Dilip Buildcon:** Supreme Court confirmed appointment of Dilip Buildcon & VPR Mining Infrastructure, as the mine developer cum operator, by Punjab State Power Corporation at the Pachhara Central Coal Block Mine. The total contract value of the tender is Rs 32,156.04 crore.
- **Globus Spirits:** The National Company Law Tribunal has approved the scheme of amalgamation between Unibev and Globus Spirits.

- **Vedanta:** To delist its American Depository shares from the New York Stock Exchange and terminate the program. Vedanta also plans to deregister the ADSs and underlying equity shares and terminate reporting obligations. Decision taken due to low trading volumes, higher cost of maintenance. The company intends to file a Form 25 with the SEC on or about October 29, 2021, to delist ADSs, which will take effect in 10 days.
- **Dish TV India:** The company has received a letter from Yes Bank seeking an EGM. The bank had issued notices for the removal and appointment of directors on the Board of Directors of the company subject to Ministry of Broadcasting's approval. Dish TV was supposed to place the resolutions before the shareholders of the company at the AGM, which was to be held on September 27, however it is now seeking an extension of the date of holding AGM based on unfounded reasons, Yes Bank said.
- **UltraTech Cement:** The company plans to meet 100% of its electricity requirement through renewables sources by 2050. It has committed to Climate Group's RE100 initiative at Climate Week NYC 2021.

- **Adani Enterprises:** The company has incorporated a wholly owned subsidiary called Adani Digital Labs. The subsidiary will transform consumer businesses to digital first businesses by creating an omnichannel, integrated platform enabling customers to interact with all B2C businesses of Adani Group.
- **Shriram Transport Finance Company:** The company has allotted 950 secured NCDs of face value of Rs 10 lakh each on private placement basis. The coupon rate is fixed at 7.95% per annum. The issue will mature on June 16, 2023.
- **IndusInd Bank:** The bank has acquired 50 lakh shares, 4.79% of paid-up equity share capital, of Mleod Russel India after invocation of pledge.
- **Indian Bank:** The bank has declared Kiratpur Ner Chowk Expressway and Tantia Constructions accounts as fraud and reported them to the RBI.
- **HealthCare Global Enterprises:** ICRA has upgraded the rating of the long-term bank facilities of the company to A+/Stable from A-/Stable and short-term facilities to A1 from A2+.
- **PVR:** CRISIL Ratings has downgraded the long-term rating of bank loan facilities of the company to A+/Negative from AA-/Negative and short-term rating to A1 from A1+.
- **Ugro Capital:** Acuite Ratings and Research has upgraded the company rating outlook from 'Stable' to 'Positive'. The company's Rs 1,100 crore bank loan and Rs 450 crore NCDs have been rated A/Positive.
- **I.T. stocks:** Accenture Plc.'s revenue increased 24% year-on-year to \$13.42 billion in the quarter ended August. Analysts had pegged the metric at \$13.41 billion. For the full fiscal, revenue rose 14% over the preceding year to \$50.5 billion. The strong result is a positive sign for the Indian IT sector as well.

Indian Macro

- Petrol prices in the country are not coming down as the states do not want to bring fuel under the ambit of the GST, Petroleum Minister Hardeep Singh Puri said. In a media interview, Puri said petrol prices crossed the Rs 100-mark in West Bengal as the TMC government is levying heavy taxes. "If your question is do you want the petrol prices to come down then the answer is yes. Now, if your question is why the petrol prices are not coming down, then the answer is because the states don't want to bring it under GST," he said.
- India and the UAE have formally launched negotiations for a free trade agreement and the first round of talks will begin from Thursday with an aim to conclude it by end-December, a move aimed at boosting trade and investments between the countries, Commerce and Industry Minister Piyush Goyal said on Wednesday. The two countries also look to sign a formal agreement, officially dubbed as Comprehensive Economic Partnership Agreement (CEPA), in March 2022 after the completion of internal legal procedures and ratification. Piyush Goyal, India's Minister of Commerce and Industry and Thani bin Ahmed Al Zeyoudi, United Arab Emirates Minister of State for Foreign Trade formally launched negotiations on the India-United Arab Emirates Comprehensive Economic Partnership Agreement (CEPA).

Global Macro

- The United Kingdom's GfK Consumer Confidence index declined to -13 in September of 2021 from -8 in the previous month, below market expectations of -8. It was the lowest reading since April and the biggest monthly drop since October 2020 amid growing worries over energy bills, food costs and tax hikes. "All measures have declined this month and consumers are clearly worrying about their personal financial situation and the wider economic prospects for the year ahead," said Joe Staton, client strategy director at GfK.
- The yield on the benchmark 10-year Treasury note inched higher to above 1.4% in late September, the highest since July 14th after the Federal Reserve signalled stimulus could start being reduced in November and interest rates could rise as soon as next year, while cutting growth forecasts and hiking inflation projections for this year. At the same time, initial

jobless claims surprisingly increased for a second time to the highest in 4 weeks, suggesting the labour market continues to struggle to fully recover from the pandemic hit.

- The IHS Markit Composite PMI for the US fell to 54.5 in September of 2021 from 55.4 in August, preliminary estimates showed. The reading pointed to the lowest growth in private sector activity since September last year as both manufacturing (60.5 vs 61.1, a 5-month low) and services (54.4 vs 55.1, a 14-month low) eased. New order growth fell to the slowest since August 2020 and challenges finding suitable candidates and difficulties retaining employees were reflected in firms reporting only a fractional rise in employment for a second month. Input costs rose the most in four months to the second-highest rate ever and output price inflation hit an all-time high. Optimism at private sector firms was robust in September. Business confidence was often linked to hopes of improved client demand and the removal of supply chain blockages.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	749	745	755	759	764
ASIANPAINT	3314	3302	3327	3339	3352
AXISBANK	802	786	808	824	830
BAJAJ-AUTO	3764	3729	3792	3826	3855
BAJAJFINSV	17896	17255	18323	18964	19391
BAJFINANCE	7793	7702	7896	7987	8090
BHARTIARTL	719	712	729	735	746
BPCL	416	413	420	423	427
BRITANNIA	4020	3990	4048	4078	4106
CIPLA	964	956	967	974	977
COALINDIA	164	160	167	171	174
DIVISLAB	5178	5118	5201	5261	5284
DRREDDY	4751	4711	4810	4849	4908
EICHERMOT	2842	2826	2859	2875	2893
GRASIM	1582	1552	1604	1634	1655
HCLTECH	1316	1304	1326	1338	1349
HDFC	2776	2704	2802	2874	2901
HDFCBANK	1557	1534	1564	1587	1594
HDCLIFE	718	713	727	732	741
HEROMOTOCO	2835	2824	2858	2869	2893
HINDALCO	475	463	480	492	497
HINDUNILVR	2760	2744	2789	2804	2833
ICICIBANK	711	702	715	723	728
INDUSINDBK	1158	1139	1167	1186	1195
INFY	1730	1714	1738	1754	1761
IOC	117	116	118	119	120
ITC	240	239	243	244	247
JSWSTEEL	668	664	677	681	691
KOTAKBANK	1994	1962	2023	2055	2084
LT	1745	1700	1760	1805	1820
M&M	753	748	758	763	767
MARUTI	6814	6788	6847	6872	6906
NESTLEIND	19694	19606	19907	19995	20208
NTPC	125	124	126	127	128
ONGC	136	133	137	140	141
POWERGRID	177	176	178	179	180
RELIANCE	2462	2428	2480	2514	2531
SBILIFE	1206	1190	1215	1232	1241
SBIN	445	439	448	455	457
SHREECEM	29632	29325	29861	30168	30397
SUNPHARMA	763	759	770	775	781
TATACONSUM	845	842	852	855	863
TATAMOTORS	316	309	320	326	331
TATASTEEL	1299	1286	1319	1332	1353
TCS	3850	3821	3865	3894	3909
TECHM	1510	1493	1520	1537	1547
TITAN	2087	2063	2101	2125	2138
ULTRACEMCO	7569	7516	7633	7687	7751
UPL	723	718	727	732	736
WIPRO	671	669	674	677	680

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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