

## Morning Call

26 August 2021

Indices	Close	Previous	Chg. %
Sensex Index	55,944	55,959	-0.03%
Nifty Index	16,635	16,625	0.06%
NSEBANK INDEX	35,586	35,712	-0.35%
NSEAUTO INDEX	9,809	9,833	-0.25%
NSEIT INDEX	34,084	33,838	0.73%

Market depth	Advance	Decline	T/O(bn)
NSE	1,239	689	610
BSE	1,991	1,214	48

Indices	Close	Previous	Chg. %
DJIA	35,406	35,366	0.11%
NASDAQ	15,042	15,020	0.15%
S&P 500	4,496	4,486	0.22%
DAX	15,861	15,906	-0.28%
CAC 40	6,676	6,664	0.18%
FTSE 100	7,150	7,126	0.34%
HANG SENG	25,694	25,728	-0.13%
SSE INDEX	3,540	3,514	0.74%
NIKKIE 225	27,725	27,732	-0.03%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
ADANI PORTS	3.7	BAJAJFINSV	-2.9
HDFCLIFE	2.6	TITAN	-2.2
HINDALCO	2.4	MARUTI	-1.3
ONGC	2.4	BHARTIARTL	-1.3
COALINDIA	1.9	DRREDDY	-1.1

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	65.9	65.1	0.8
STOCK FUT	297.9	289.8	8.2

### Markets failed to hold gains and ended flat

- A few top stocks from oil, technology, metal and FMCG closed on the positive side.
- Adani Ports and Special Economic Zone shares surged up 3.7 percent after the company said its proposal to acquire a 10.4% stake in Gangavarm Port from the Andhra Pradesh government has received approval from the Andhra Pradesh Maritime Board.

### Global & Asian market overview

- **European stocks** ended slightly higher as investors made cautious moves, looking ahead to the upcoming Jackson Hole Symposium for directional clues.
- **US stocks** closed higher, extending recent uptrend amid continued optimism about growth and on hopes the Federal Reserve might not begin tapering its bond-buying program anytime soon. Investors looked ahead to the upcoming Jackson Hole Symposium. The Federal Reserve Chairman Jerome Powell is expected to provide cues on the central bank's tapering timeline.
- **Asian stocks** traded mixed but remained broadly directionless as investors speculated whether any decisive tapering hints would emerge out of the U.S. Fed's Jackson Hole symposium later in the week. While regional benchmarks Shanghai Composite and NZX50 gained close to 0.75 percent, most other benchmarks rose only modestly. Nikkei and Hang Seng however retreated from previous close.

### Industry Buzz

- **Bharti Airtel:** Board of Directors to meet on August 29 to consider raising funds through equity, equity-linked or debt instruments or any combination of these, the company said.
- **Max Healthcare Institute:** Board approved an additional investment of Rs 50 crore by way of subscription towards Rights Issue of equity shares of Alps Hospitals, a wholly owned subsidiary of the company.

- **Ujjivan Small Finance Bank:** Board has appointed Carol Furtado as officer on special duty. Furtado to manage day-to-day affairs at the bank, till Nitin Chugh's exit on September 30. Furtado to be appointed as interim CEO after September 30, subject to RBI approval. Furtado's appointment at the bank is subject to her resigning as CEO of Ujjivan Financial Services. Ujjivan Small Finance Bank board to evaluate candidates for MD & CEO role parallelly and submit two names to the RBI for approval.
- **WABCO India:** Offer for sale for non-retail investors gets 233% demand as compared to the shares on offer. Demand at indicative price of Rs 6,965.73 per share. The OFS opens for retail investors today.
- **Kotak Mahindra Bank:** To actively seek inorganic growth opportunities in the Indian financial services space. This could be in businesses or assets that enables it to expand its market share and increase customer base, said Chairman Prakash Apte. Further, the Group aims to expand its market share in Indian financial services by increasing the customer base across the

Group, and enhancing customer experience, which will lead to higher cross-selling of products, thereby contributing to the future growth and profitability, he added.

- **Future Retail:** Appointed Sadashiv Nayak as Chief Executive Officer of the company with effect from August 25.
- **Infosys:** To set up a new digital development centre at its largest Canadian office in Mississauga. The company aims to create 500 jobs in the Toronto Region over the next three years.
- **Kaveri Seed Company:** Approved buyback of equity shares up to Rs 120 crore at a price up to Rs 850 per share.
- **Bank of India:** Approved the opening of QIP on August 25 and the floor price of Rs 66.19 per equity share. The floor price is at a premium of 1.98% to Wednesday's closing price.
- **Affle India** to consider proposal for split of equity shares

## Earnings update

- **Procter & Gamble Hygiene and Health Care Q4FY21 (QoQ):** Revenue up 4% at Rs 786.59 crore Vs Rs 759.66 Net profit down 50% at Rs 48.98 crore Vs Rs 98.33 crore Ebitda down 42% at Rs 74.88 crore Vs Rs 128.69 crore Margins at 9.5% Vs 16.9% Recommended a final dividend of Rs 80 per equity share

## Indian Macro

- Finance Minister Nirmala Sitharaman on August 25 addressed a press conference after her two-day visit to Mumbai. She interacted with top officials of the Confederation of Indian Industry (CII) and launched the EASE 4.0 Index - a reform agenda for 2021-22 for public sector banks (PSBs). Sitharaman also met chief executive officers of state-run banks to review annual financial performance of the lenders. The government has directed banks to interact with Export Promotion Agencies as well as industry and commerce bodies so that the requirements of the exporters can be addressed in timely manner, the Finance Minister said. She also responded to comments made by Congress leader Rahul Gandhi, who had criticised the Centre's National Asset Monetisation Pipeline programme.

## Global Macro

- New orders for US manufactured durable goods fell 0.1% mom in July of 2021, after rising 0.8% in the previous month and less than forecasts of a 0.3% drop. Still, it is the first decline in 3 months, dragged down by a 2.2% contraction in orders for transport equipment, a 0.4% fall in orders for computers and electronics and a 5% slump in capital goods. Excluding transportation, new orders increased 0.7%, led by machinery (2.9%), fabricated metal products (0.3%) and primary metals (2.7%). Meanwhile, orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, were unchanged last month, after a 1% increase in June.
- Mortgage applications in the US were up 1.6 percent in the week ending August 20th, rebounding from a 3.9 percent fall in the previous period, data from the Mortgage Bankers Association showed. Applications to purchase a home surged 3 percent and those for refinancing 0.9 percent. The average fixed 30-year mortgage rate dropped by 3bps to 3.03 percent, easing from a 4-week high in the previous week. "Treasury yields fell last week, as investors continue to anxiously monitor if the rise in COVID-19 cases in several states starts to dampen economic activity. Mortgage rates slightly declined as a result. There was also some easing in average loan sizes, which is potentially a sign that more first-time buyers looking for lower-priced homes are being helped by the recent uptick in for-sale inventory for both newly built homes and existing homes", Joel Kan, an MBA economist said.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	706	686	716	736	745
ASIANPAINT	3014	2985	3042	3072	3100
AXISBANK	731	725	741	747	757
BAJAJ-AUTO	3648	3624	3704	3728	3784
BAJAJFINSV	15505	15203	16152	16454	17101
BAJFINANCE	6859	6823	6956	6992	7089
BHARTIARTL	606	603	614	618	626
BPCL	457	454	461	464	468
BRITANNIA	3801	3748	3849	3902	3950
CIPLA	901	895	912	919	930
COALINDIA	137	136	138	140	141
DIVISLAB	4832	4796	4853	4888	4910
DRREDDY	4500	4476	4547	4572	4619
EICHERMOT	2556	2528	2570	2598	2612
GRASIM	1438	1429	1455	1464	1482
HCLTECH	1139	1125	1155	1169	1184
HDFC	2690	2682	2704	2712	2726
HDFCBANK	1547	1539	1556	1564	1573
HDCLIFE	679	667	686	698	705
HEROMOTOCO	2660	2646	2684	2698	2722
HINDALCO	425	419	430	437	441
HINDUNILVR	2621	2598	2644	2667	2690
ICICIBANK	683	678	692	696	705
INDUSINDBK	996	989	1005	1012	1021
INFY	1723	1706	1735	1752	1764
IOC	105	104	106	107	108
ITC	205	205	207	207	209
JSWSTEEL	675	667	688	696	709
KOTAKBANK	1684	1678	1700	1707	1723
LT	1576	1565	1601	1612	1637
M&M	768	763	776	781	788
MARUTI	6645	6604	6742	6783	6880
NESTLEIND	19579	19413	19952	20118	20491
NTPC	113	113	114	115	116
ONGC	114	112	116	118	119
POWERGRID	174	173	176	177	178
RELIANCE	2181	2161	2201	2221	2240
SBILIFE	1143	1136	1157	1164	1179
SBIN	413	410	417	420	424
SHREECEM	26114	26019	26287	26382	26555
SUNPHARMA	760	752	768	777	785
TATACONSUM	831	823	841	848	858
TATAMOTORS	281	278	285	288	292
TATASTEEL	1368	1352	1397	1413	1442
TCS	3620	3568	3659	3710	3749
TECHM	1448	1435	1463	1476	1491
TITAN	1803	1787	1836	1853	1886
ULTRACEMCO	7341	7297	7414	7459	7532
UPL	717	711	727	733	744
WIPRO	625	621	634	638	647

## 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