

Morning Call

20 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	59,016	59,141	-0.21%
Nifty Index	17,585	17,630	-0.25%
NSEBANK INDEX	37,812	37,669	0.38%
NSEAUTO INDEX	10,351	10,351	0.00%
NSEIT INDEX	35,647	35,852	-0.57%

Market depth	Advance	Decline	T/O(bn)
NSE	572	1,436	105
BSE	1,168	2,138	61

Indices	Close	Previous	Chg. %
DJIA	34,585	34,751	-0.48%
NASDAQ	15,044	15,182	-0.91%
S&P 500	4,433	4,474	-0.91%
DAX	15,490	15,652	-1.03%
CAC 40	6,570	6,623	-0.79%
FTSE 100	6,964	7,027	-0.91%
HANG SENG	24,921	24,668	1.03%
SSE INDEX	3,614	3,607	0.19%
NIKKIE 225	30,500	30,323	0.58%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
KOTAKBANK	5.6	TATASTEEL	-3.8
HDFCBANK	1.6	COALINDIA	-3.5
BHARTIARTL	1.5	SBIN	-2.3
EICHERMOT	1.4	TCS	-2.0
MARUTI	1.2	HINDALCO	-2.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	72.0	51.3	20.7
STOCK FUT	232.6	238.4	-5.8

Markets ended lower to snap a three-day record-breaking streak

- Metal stocks led losses, with Hindalco, Coal India and Tata Steel losing 2-4 percent as iron ore prices continued to collapse in international markets on concerns over weaker demand.
- Kotak Mahindra Bank shares surged 5.6 percent after the lender announced the acquisition of German carmaker Volkswagen's captive vehicle finance business for an undisclosed sum.

Global & Asian market overview

- **European stocks** ended on a negative note as signs of slowing global growth amid a surge in coronavirus cases in several countries across the world, and introduction of tighter regulations on technology firms in China hurt sentiment.
- **US stocks** Following the narrowly mixed close seen in the previous session, stocks showed a notable move to the downside during trading. The major averages all slid firmly into negative territory after ending Thursday's trading on opposite sides of the unchanged line.
- **Asian stocks** ended mostly higher despite concerns about slowing global growth and bets on early tapering by the U.S. Federal Reserve.

Industry Buzz

- **Wipro:** Company has announced setting up a new co-innovation space with Google Cloud. The innovation arena will be based in Bangalore and used to provide in-house technical expertise for cloud adoption and acceleration business transformation for customers.
- **Intellect Design Arena:** Announced a strategic partnership with Resurs Bank for a new cloud-based banking platform. Intellect will be implementing its microservices-based digital banking solution IDC and iKredit460 to optimise processes and operations.
- **Adani Ports:** Approves issue of Rs 1,000 crore of debentures.

- **Indian Oil:** Efforts are being made at the Barauni refinery in eastern India to restart the crude processing unit after a blow-up incident on Sept. 16 injured 19 people. Startup of operations of remaining process units from the planned maintenance shutdown is proceeding as per schedule, a company statement said.
- **3M India:** Board has approved a merger of its wholly owned subsidiary 3M Electro & Communication India into itself for greater integration and consolidation of business operations.
- **Sobha:** Chief Financial Officer Subash Mohan Bhat has resigned. He will continue in his position till a new CFO is appointed.
- **Bajaj Holdings:** Board has approved an interim dividend of Rs 90 per equity share. The record date for the interim dividend will be Sept. 29, 2021.
- **Shipping Corp:** India's government has approved a plan to form a new unit after demerger. The resulting unit will be a wholly-owned subsidiary of the company.

- **Motilal Oswal:** Company intends to issue 1,000 Secured Principal Protected Market-Linked Non-Convertible Debentures of face value Rs 10 lakh each on private placement basis in one or more tranches.
- **Cadila Healthcare:** Gets U.S. FDA approval to market antidepressant pills
- **DCB Bank:** Moneyboxx Finance Raises Rs 7.5 crore From DCB Bank
- **Inox Wind:** Founder Inox Wind Energy sold 1.47m shares in Inox Wind: BSE
- **IRB Infrastructure:** Sindhudurg airport gets Airdrome license
- **KEC International:** Acquires Spur Infrastructure, an EPC company in the Oil and Gas Pipelines sector for Rs 62 crore
- **Rail Vikas Nigam:** Gets Rs 1,035 crore contract for Indore Metro Rail project
- **Shipping Corp:** Gets govt nod to form new unit on demerger
- **Indiabulls Housing Finance** public issue of NCDs gets 2.96 times demand, offer close Sept. 20

Indian Macro

- India stressed at G20 agriculture meeting that there is a need to increase investment in agricultural research and development amid the challenges of climate change and expected increase in food demand by 2030. The G20 Agriculture Ministers' Meeting is one of the ministerial meetings organised as part of the G20 Leaders Summit 2021 to be hosted by Italy in October. Addressing a session on the topic 'Research as a driving force behind sustainability', Agriculture Minister Narendra Singh Tomar shared that agricultural research has played a major role in transforming India from a net food importer to exporter. "Today with an annual production of 308 million tonnes of food grains, India is not only in the realm of food security but is also catering to needs of other countries," he said and added India has experienced a revolution in the field of agricultural produce due to the efficient research of scientists.
- Inflation data for August was released this week. Inflation, as measured by the Consumer Price Index (CPI), came as a relief, registering a growth rate of 5.3 percent. For the second consecutive month, it was below the upper band of 6 percent. The decline in the overall inflation rate is contributed mainly by the fall in food prices. Food and beverages enjoy the highest weightage in the CPI - at around 45 percent. Food inflation registered a growth rate of 3.1 percent in August, compared to 3.9 percent in July. Within the food basket, vegetable prices registered a contraction of 11.6 percent.
- After reaching a record high in the previous week, the country's foreign exchange reserves declined by \$1.34 billion to \$641.113 billion in the week ended September 10, 2021, according to RBI data. In the previous week ended September 3, the reserves had surged by \$8.895 billion to a life time high of \$642.453 billion. During the reporting week ended September 10, the fall in the reserves was on account of a decline in Foreign Currency Assets (FCAs), a major component of the overall reserves, Reserve Bank of India's (RBI) weekly data released showed.
- The GST Council has extended the GST rate cuts on Covid essential items till 31 December. However, the latest extension only includes medicines and not other medical equipment, Finance Minister Nirmala Sitharaman said on September 17. "The rate cuts on these were earlier applicable till September 30. This is being extended keeping in mind the continuing demand for these medicines," Sitharaman said while addressing the media after the 45th GST Council Meeting held in Lucknow. Tax rates on medicines used in cancer treatment have also been cut from 12 percent to 5 percent, she added. This was the first in-person meeting of the all-powerful federal body in nearly two years. The last in-person GST Council meeting was held in December 2019 in New Delhi. Since then five more meetings have been convened through video conference.

Global Macro

- EURUSD decreased to a 4-week low of 1.1723 on Monday morning in Asia, amid thin trade due to holidays in Japan and China. At the same time, traders were cautious ahead of several central bank meetings, headlined by the Federal Reserve.
- Gold ended around \$1750 an ounce level on Friday, close to levels not seen in a month, and booking a 1.9% fall on the week, amid a dollar surge ahead of the FOMC meeting next week. The bullion dropped for a second consecutive week as traders await more details from the Fed next week on when tapering will begin. Recent data for the US painted a mixed picture. The Michigan consumer sentiment was slightly below expectations, raising fresh questions about the pace of economic growth and the inflation outlook. Also, retail sales unexpectedly grew in August while the number of Americans filing new claims for unemployment benefits rose to 332K last week from a pandemic low of 312K. Meanwhile, the spread of the Delta variant and worries over the impact it will have on the economic recovery capped some losses.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	751	743	769	777	795
ASIANPAINT	3263	3225	3322	3359	3419
AXISBANK	800	787	810	823	834
BAJAJ-AUTO	3798	3770	3838	3866	3907
BAJAJFINSV	16498	16249	16998	17246	17747
BAJFINANCE	7282	7161	7481	7602	7801
BHARTIARTL	723	715	729	736	742
BPCL	431	426	436	440	446
BRITANNIA	4036	4002	4076	4110	4150
CIPLA	947	940	955	961	969
COALINDIA	153	150	158	161	166
DIVISLAB	5057	4989	5128	5196	5267
DRREDDY	4839	4810	4898	4927	4987
EICHERMOT	2865	2829	2900	2935	2970
GRASIM	1548	1532	1579	1596	1626
HCLTECH	1252	1244	1266	1274	1289
HDFC	2799	2775	2825	2849	2876
HDFCBANK	1571	1550	1580	1600	1610
HDCLIFE	735	728	747	754	767
HEROMOTOCO	2896	2867	2925	2954	2983
HINDALCO	466	460	476	481	491
HINDUNILVR	2697	2656	2740	2781	2824
ICICIBANK	712	703	723	733	744
INDUSINDBK	1112	1095	1129	1146	1163
INFY	1675	1663	1697	1709	1730
IOC	116	114	118	119	121
ITC	227	224	232	236	241
JSWSTEEL	674	660	683	698	706
KOTAKBANK	1962	1886	1990	2066	2094
LT	1702	1686	1722	1738	1758
M&M	749	741	758	766	774
MARUTI	6958	6896	7011	7072	7126
NESTLEIND	20128	20014	20213	20326	20412
NTPC	122	120	123	125	126
ONGC	125	123	128	130	132
POWERGRID	177	175	179	181	182
RELIANCE	2347	2321	2401	2427	2482
SBILIFE	1186	1174	1196	1208	1217
SBIN	442	436	457	464	479
SHREECEM	30078	29647	30559	30989	31470
SUNPHARMA	759	752	774	780	795
TATACONSUM	865	858	873	880	888
TATAMOTORS	303	300	309	313	319
TATASTEEL	1343	1311	1391	1423	1472
TCS	3757	3711	3851	3897	3991
TECHM	1428	1415	1450	1464	1486
TITAN	2069	2039	2109	2139	2179
ULTRACEMCO	7652	7568	7745	7828	7921
UPL	729	721	744	752	767
WIPRO	659	655	667	670	678

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

Chola Securities Limited (CSL), AMFI registered mutual fund distributor, is a leading southern India based Stock broker. Our focus area of coverage within the Indian market is Mid and Small caps with a focus on companies from southern India.

Our Institutional Equities services are carried out in partnership with RCCR, a boutique Investment research and Corporate Advisory firm founded by a team with extensive experience in the Asset management industry.

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

DISCLAIMER:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statements as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited.

No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent.

The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate

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