

Morning Call

25 August 2021

Indices	Close	Previous	Chg. %
Sensex Index	55,959	55,556	0.73%
Nifty Index	16,625	16,496	0.78%
NSEBANK INDEX	35,712	35,124	1.67%
NSEAUTO INDEX	9,833	9,759	0.75%
NSEIT INDEX	33,838	33,920	-0.24%

Market depth	Advance	Decline	T/O(bn)
NSE	1,505	488	610
BSE	2,115	1,073	42

Indices	Close	Previous	Chg. %
DJIA	35,366	35,336	0.09%
NASDAQ	15,020	14,943	0.52%
S&P 500	4,486	4,480	0.15%
DAX	15,906	15,853	0.33%
CAC 40	6,664	6,683	-0.28%
FTSE 100	7,126	7,109	0.24%
HANG SENG	25,728	25,110	2.46%
SSE INDEX	3,514	3,477	1.07%
NIKKIE 225	27,732	27,494	0.87%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
BAJAJFINSV	7.8	NESTLEIND	-1.4
HINDALCO	3.9	BRITANNIA	-1.4
ADANIPTS	3.8	ASIANPAINT	-1.1
TATASTEEL	3.6	HDFC	-1.0
BAJFINANCE	3.4	INFY	-1.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	77.6	66.6	11.0
STOCK FUT	510.9	486.9	24.0

Markets rose for the second day running

- Bajaj Finserv jumped 7.9 percent after it received an in-principle approval from SEBI to set up a mutual fund.
- Infosys shares ended down over 1 percent after having hit a fresh record high of Rs 1,755.60 apiece on BSE earlier, taking the total market capitalization to \$100 billion.

Global & Asian market overview

- **European stocks** were mixed, as investors awaited the Federal Reserve's annual economic policy symposium later this week for cues on when the U.S. central bank may actually start scaling back its bond-buying program.
- **US stocks** Despite turning a bit sluggish at times, U.S. stocks stayed positive right through the day's session amid optimism about growth and hopes that the Fed might note begin tapering its bond-buying program anytime soon.
- **Asian stocks** rose sharply as positive U.S. vaccination news and easing worries about an imminent tapering of stimulus by the Federal Reserve raised hopes the global economy will recover faster than expects.

Industry Buzz

- **Adani Ports & SEZ:** Company's proposal to acquire 10.4% stake for Rs 644.78 crore of Gangavaram Port Ltd. from the Andhra Pradesh government has received approval from the state's maritime board. The transaction is expected to complete within a month.
- **Canara Bank:** Billionaire investor Rakesh Jhunjhunwala has bought 1.59% stake, according to updated shareholding statement released by the state-run lender. The bank had approved allotment of 16.73 crore shares via qualified institutional placement a day earlier.
- **ICICI Bank:** The Reserve Bank of India has approved reappointment of Sandeep Bakhshi as Managing Director and CEO from Oct. 15, 2021 to Oct. 3, 2023.

- **Bharti Airtel:** India's top court allows Airtel to move tribunal on AGR dues
- **Wipro:** To open a new delivery center in Sherwood, Arkansas. The company will invest approximately \$3 million to transform a 70,000 square-foot facility at Landers Road into a customer service center. The delivery center will provide operational services to Wipro's clients across industry verticals. Wipro expects to hire up to 400 employees in the next two years in Arkansas. Further the company has been awarded a strategic multi-year contract by E.ON for digital transformation of their financial area. Wipro will provide Application Maintenance & Support Services for innovative projects on SAP S/4HANA.
- **WABCO India:** Promoter ZF International U.K. to sell 3.80 lakh equity shares, representing 2.01% of the total equity share capital, through an Offer for Sale. The floor price of Rs 6,900 per share is a 3.83% discount to Tuesday's closing price. The OFS opens for non-retail investors today and for retail investors on August 26.

- **Centrum Capital:** Approved the transfer of the entire business of its two wholly owned material subsidiaries, Centrum Financial Services and Centrum Microcredit, to its proposed small finance bank, via a slump sale, subject to approval of the members and other requisite statutory and regulatory approvals.
- **Tata Steel:** Brickwork Ratings has upgraded the credit rating of unsecured NCD issues aggregating Rs 4,000 crore to AA+/Stable from AA/Stable.
- **Tatva Chintan Pharma Chem:** Mahesh Tanna has resigned as the Chief Financial Officer of the company. Tanna's resignation to be effective from August 31.

Indian Macro

- The country's gross domestic product (GDP) is expected to grow at around 18.5 percent with an upward bias in the first quarter of the current financial year, according to SBI research report Ecwrap. This estimate is lower than the Reserve Bank of India's GDP growth projection of 21.4 percent for the April-June quarter. "Based on our "Nowcasting" model, the forecasted GDP growth for Q1 FY22 would be around 18.5 percent (with upward bias)," the report said. Higher growth in the second quarter of 2022, or Q1 FY22 is mainly on account of a low base. State Bank of India has developed the "Nowcasting Model" with 41 high-frequency indicators associated with industrial activity, service activity, and the global economy.
- Foreign direct investments into the country is on the rise, jumping to USD 12.1 billion in May this year, Commerce and Industry Minister Piyush Goyal said. He also said the government is working on a mission mode to achieve exports target of USD 400 billion in 2021-22. "India has received the highest ever FDI inflow in 2020-21. It surged by 10 per cent to USD 81.72 billion and FDI during May 2021 is USD 12.1 billion, i.e. 203 per cent higher than May 2020," he said while addressing a meeting of different industry associations on promoting exports.
- The government aims to garner over Rs 45,200 crore through monetising power transmission assets by FY 2025 as part of its ambitious asset monetisation plan. Finance Minister Nirmala Sitharaman on Monday announced a Rs 6 lakh crore National Monetisation Pipeline (NMP) that will look to unlock value in infrastructure assets across sectors ranging from power to road and railways. The transmission assets considered for monetisation during FY 2022-25 aggregate to 28,608 circuit (ckt) kms. These include transmission assets of 400 KV and above of Power Grid Corporation of India Limited (PGCIL).
- The government expects to realise Rs 35,100 crore from the partial sale of Bharatnet fibre assets and around 13,500 mobile towers owned by state-run telecom firms as part of its national monetisation pipeline released on Monday. Government think tank Niti Aayog has valued over 2.86 lakh kilometre of optical fibre assets laid by BBNL and BSNL under rural broadband project Bharatnet at Rs 26,300 crore, according to the National Monetisation Pipeline (NMP) document. According to the document, BSNL's 13,567 mobile tower assets and MTNL's 1,350 towers have been valued at Rs 8,800 crore. Both the PSUs jointly own 69,047 mobile towers.

Global Macro

- Stocks of crude oil in the United States fell by 1.622 million barrels in the week ended August 20th of 2021, following a 1.163 million barrels drop in the previous week, and marking the fifth straight weekly decline, data from the American Petroleum Institute showed. It compares with market expectations of a 2.367 million fall.
- WTI crude futures rose 3% to above \$67.5 a barrel on Tuesday, building on Monday's 5.6% jump on a bullish demand outlook and supply constrain after Mexico suffered a large production outage due to a fire on an oil platform. On Monday, US FDA granted full approval to Pfizer Inc/BioNTech COVID-19 vaccine raising hopes that the immunization

drive will gain traction again and China saw no new locally transmitted COVID-19 cases for the first time since July. Meantime, Indian refiners' crude throughput in July bounced to its highest in three months as fuel demand rebounded.

	S1	S2	PIVOT	R1	R2
ADANI PORTS	677	656	689	710	723
ASIANPAINT	3016	2996	3054	3074	3113
AXISBANK	737	725	743	755	761
BAJAJ-AUTO	3683	3634	3702	3751	3771
BAJAJFINSV	15798	14866	16191	17122	17516
BAJFINANCE	6819	6613	6934	7141	7255
BHARTIARTL	614	610	621	624	632
BPCL	454	450	456	460	463
BRITANNIA	3764	3731	3828	3860	3924
CIPLA	906	891	913	928	935
COALINDIA	135	133	136	138	139
DIVISLAB	4787	4730	4850	4906	4969
DRREDDY	4509	4402	4552	4659	4702
EICHERMOT	2513	2487	2544	2570	2601
GRASIM	1451	1435	1457	1473	1478
HCLTECH	1140	1134	1157	1163	1180
HDFC	2671	2655	2700	2717	2746
HDFCBANK	1539	1515	1552	1577	1589
HDFCLIFE	668	665	672	676	679
HEROMOTOCO	2654	2631	2674	2697	2717
HINDALCO	417	409	420	428	432
HINDUNILVR	2594	2578	2626	2642	2674
ICICIBANK	685	674	691	702	708
INDUSINDBK	994	980	1002	1016	1024
INFY	1699	1684	1728	1744	1772
IOC	104	103	105	107	108
ITC	205	204	206	207	208
JSWSTEEL	685	677	691	699	705
KOTAKBANK	1686	1672	1705	1719	1739
LT	1593	1572	1603	1623	1634
M&M	767	755	773	785	792
MARUTI	6739	6684	6796	6851	6907
NESTLEIND	19473	19302	19836	20007	20370
NTPC	113	112	115	115	117
ONGC	112	110	113	115	117
POWERGRID	175	173	177	178	181
RELIANCE	2160	2140	2176	2196	2212
SBILIFE	1143	1119	1154	1178	1190
SBIN	412	405	415	422	426
SHREECEM	25915	25527	26137	26525	26748
SUNPHARMA	760	745	769	783	792
TATACONSUM	832	823	836	845	849
TATAMOTORS	274	265	278	287	291
TATASTEEL	1386	1360	1403	1429	1446
TCS	3579	3550	3623	3652	3696
TECHM	1438	1405	1452	1485	1499
TITAN	1856	1837	1871	1890	1906
ULTRACEMCO	7391	7329	7433	7495	7537
UPL	723	712	728	739	744
WIPRO	627	619	631	639	643

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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