

# Morning Call

28 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	60,078	60,048	0.05%
Nifty Index	17,855	17,853	0.01%
NSEBANK INDEX	38,171	37,830	0.90%
NSEAUTO INDEX	10,765	10,429	3.22%
NSEIT INDEX	36,034	37,103	-2.88%

Market depth	Advance	Decline	T/O(bn)
NSE	915	1,125	687
BSE	1,562	1,792	52

Indices	Close	Previous	Chg. %
DJIA	34,869	34,798	0.21%
NASDAQ	14,970	15,048	-0.52%
S&P 500	4,443	4,455	-0.28%
DAX	15,574	15,532	0.27%
CAC 40	6,651	6,638	0.19%
FTSE 100	7,063	7,051	0.17%
HANG SENG	24,209	24,192	0.07%
SSE INDEX	3,583	3,613	-0.84%
NIKKIE 225	30,240	30,249	-0.03%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
MARUTI	6.4	HCLTECH	-4.4
M&M	4.3	TECHM	-3.3
TATAMOTORS	4.1	WIPRO	-3.2
ONGC	2.8	DIVISLAB	-3.2
HEROMOTOCO	2.8	BAJAJFINSV	-2.6

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	55.1	49.4	5.7
STOCK FUT	422.4	425.6	-3.2

## Markets ended on a flat note

- ONGC advanced 2.8 percent as Brent futures headed towards \$80 per barrel on supply concerns and amid optimism over rising demand.
- On the losing side, technology stocks ended lower to snap four straight sessions of gains. Wipro, Tech Mahindra and HCL Technologies fell 3-4 percent.

## Global & Asian market overview

- **European stocks** closed slightly higher with investors largely making cautious moves, reacting to the results of the German federal election, and ECB President Christine Lagarde's comments that inflation in the euro area could exceed projections but price increases are likely to be temporary.
- **US stocks** ended on a mixed note with investors largely making cautious moves as they looked ahead to speeches from several Fed officials, including Chairman Jerome Powell, and continued to keep an eye on developments surrounding debt-laden China Evergrande.
- **Asian stocks** ended on a mixed note as investors weighed the implications of surging energy prices and risks from the Chinese financial system. China's Shanghai Composite index fell 30.24 points, or 0.84 percent, to 3,582.83 as virus and Evergrande worries weighed.

## Industry Buzz

- **Allcargo Logistics:** The company is considering selling a stake in its container shipping firm ECU Worldwide, according to a Bloomberg report. The company is working with an adviser on the sale of the stake. Allcargo is seeking a deal that would value ECU at about \$1 billion.
- **RIL:** The company is in talks to buy a stake in Glance InMobi Pte, according to a Bloomberg report. RIL is considering investing about \$300 million in the unicorn backed by Alphabet Inc.'s Google.

- **BPCL:** Plans invest Rs 1 lakh crore over next 5 years in raising petrochemical production capacity, gas business, clean fuel, and augmenting marketing infrastructure, Chairman Arun Kumar Singh said during a conference. The company is also looking to create a 1,000 MW portfolio of renewable power generation capacity, mostly through acquisitions while also invest in biofuels and hydrogen, he added. The company plans to shut Bina plant for work next year; expects Mumbai plant to restart in first half of October. Divestment is expected by March.
- **Adani Enterprises:** Adani Airport Holdings, a wholly owned subsidiary of the company, has signed share subscription agreement with April Moon Retail and its existing shareholders--Arjun Ahuja, Karan Ahuja, Aliya Ahuja and Kabir Ahuja--for the purpose of strategic partnership to operate duty free outlets in airports. Adani Airport Holdings to own 74% of April Moon Retail.
- **Paisalo Digital:** State Bank of India has signed a Service Level Agreement with the company, National Corporate Business Correspondent of the Bank, for promoting financial inclusion by providing banking services through kiosks.

- **RBL Bank:** RBI has imposed Rs 2 crore penalty on the bank for contravention of norms on maintaining deposits and guidelines governing appointment of directors on board. RBL Bank had opened five savings deposit accounts in the name of a cooperative bank, RBI said. Report for inspection of supervisory evaluation for FY19 revealed non-compliance.
- **HDFC:** Seeks to raise up to Rs 6000 crore via issue of secured NCDs private placement.
- **NTPC:** The company has won 1.9 GW solar projects under CPSU scheme.
- **Websol Energy System:** The Websol Module has been approved by the Government of India under the list of Approved Module Manufacturer. The company has also received approval of its module from BIS and IEC61215. The ALMM list and BIS certification has made Websol modules eligible to be sold in the domestic market for the project approved under the various schemes of the government.
- **Raymond:** Approves consolidation of the tools & hardware and auto components businesses into unit JK Files and real estate business wholly-owned unit
- **IndiGo** cut to Neutral at Goldman; price target Rs 1,950

## Indian Macro

- Commerce and Industry Minister Piyush Goyal on Monday said the existing foreign trade policy (FTP) will be extended till March 31 next year. The government had earlier extended the FTP 2015-20 until September 30 this year due to the COVID-19 crisis. The Foreign Trade Policy provides guidelines for enhancing exports to push economic growth and create jobs. "We are notifying it today evening or tomorrow...We have decided to extend the policy until March 31 (2022)... and in the (new) financial year, we can start with the new policy," he told reporters.
- Prime Minister Narendra Modi on Monday launched the Ayushman Bharat Digital Mission, under which a digital health ID will be provided to people that will contain their health records, and asserted that it has the potential to bring revolutionary changes in healthcare. In his address after the launch, Modi said the mission marks a new phase in efforts of the last seven years to strengthen health facilities. The pilot project of the Ayushman Bharat Digital Mission was announced by the prime minister from the ramparts of the Red Fort on August 15, 2020. Its nationwide roll-out coincides with the National Health Authority celebrating the third anniversary of the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY).

## Global Macro

- Profits earned by China's industrial firms increased by 49.5% yoy to CNY 5.60 trillion in January-August 2021, following a 57.3% surge in the prior period and slowing for the 6th straight month, amid moderation in recovery momentum, with profits continuing to grow for both state-owned industrial firms (86.9%) and private-sector (34.4%). Among the 41 industries surveyed, 37 saw profit rises: petroleum, coal and other fuel (2,471.2%), oil and natural gas extraction (265.1%), non-ferrous metal smelting (177.5%), ferrous metal smelting and rolling (155.6%), chemical raw materials (144.7%), coal mining and washing (145.3%), computer, communications (34.8%), electrical machinery (20.6%), general equipment (25.7%), non-metallic mineral products (16.8%), and automobile (5.5%). In August alone, industrial profits rose by 10.1% yoy to CNY 680.3 billion, after a 16.4% gain in August, on Delta outbreaks, high raw material cost, and efforts to control pollution.
- The People's Bank of China continued to inject a total CNY 100 billion of 14-day reverse repos at an interest rate of 2.35 percent on September 28th 2021, the same as in the previous day. The central bank said the injections aim to maintain liquidity in the banking system. China's second largest private property developer Evergrande missed an USD 83.5 million payment in bond interest to its offshore bondholders on September 23rd. PBoC vowed to protect consumers exposed to the housing market on Monday, as the Shenzhen government began investigating the wealth management unit of ailing

developer Evergrande, the clearest sign yet the authorities could move to contain contagion risks. The PBOC's statement was issued after the third quarter meeting of its Monetary Policy Committee.

	S1	S2	PIVOT	R1	R2
ADANI PORTS	742	730	748	759	765
ASIANPAINT	3397	3381	3433	3449	3486
AXISBANK	789	783	799	805	815
BAJAJ-AUTO	3860	3790	3892	3962	3994
BAJAJFINSV	17641	17377	18194	18459	19012
BAJFINANCE	7734	7677	7797	7854	7917
BHARTIARTL	714	709	723	728	737
BPCL	418	414	420	424	426
BRITANNIA	3978	3957	4021	4042	4086
CIPLA	952	943	961	970	979
COALINDIA	165	163	167	169	171
DIVISLAB	4840	4778	4987	5048	5196
DRREDDY	4762	4711	4784	4834	4856
EICHERMOT	2813	2778	2904	2939	3029
GRASIM	1629	1608	1643	1664	1678
HCLTECH	1260	1236	1314	1338	1392
HDFC	2813	2796	2841	2857	2886
HDFCBANK	1611	1596	1623	1639	1651
HDFCLIFE	716	711	723	728	735
HEROMOTOCO	2868	2811	2898	2955	2985
HINDALCO	472	463	481	490	499
HINDUNILVR	2688	2666	2726	2748	2787
ICICIBANK	725	719	729	735	738
INDUSINDBK	1134	1123	1156	1168	1189
INFY	1698	1682	1733	1748	1784
IOC	118	117	118	119	120
ITC	235	232	239	242	245
JSWSTEEL	639	634	652	657	669
KOTAKBANK	2019	2006	2038	2051	2071
LT	1715	1703	1749	1761	1795
M&M	798	775	806	828	836
MARUTI	7163	6832	7306	7637	7780
NESTLEIND	19475	19388	19687	19773	19986
NTPC	126	124	127	129	130
ONGC	138	136	140	142	143
POWERGRID	175	174	176	177	178
RELIANCE	2500	2460	2515	2554	2569
SBILIFE	1210	1197	1222	1234	1246
SBIN	442	438	446	450	455
SHREECEM	29184	28970	29502	29716	30034
SUNPHARMA	756	751	765	770	780
TATACONSUM	827	821	835	841	848
TATAMOTORS	326	319	330	336	340
TATASTEEL	1257	1245	1273	1284	1300
TCS	3788	3745	3846	3890	3947
TECHM	1432	1413	1479	1498	1544
TITAN	2077	2062	2092	2108	2123
ULTRACEMCO	7552	7466	7611	7696	7756
UPL	717	706	727	737	748
WIPRO	641	632	660	668	687

## 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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