

Morning Call

01 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	57,552	56,890	1.16%
Nifty Index	17,132	16,931	1.19%
NSEBANK INDEX	36,425	36,348	0.21%
NSEAUTO INDEX	10,034	9,958	0.77%
NSEIT INDEX	34,570	34,109	1.35%

Market depth	Advance	Decline	T/O(bn)
NSE	999	1,001	828
BSE	1,518	1,692	62

Indices	Close	Previous	Chg. %
DJIA	35,361	35,400	-0.11%
NASDAQ	15,259	15,266	-0.04%
S&P 500	4,523	4,529	-0.13%
DAX	15,835	15,887	-0.33%
CAC 40	6,680	6,687	-0.11%
FTSE 100	7,120	7,148	-0.40%
HANG SENG	25,879	25,540	1.33%
SSE INDEX	3,544	3,528	0.45%
NIKKIE 225	28,090	27,789	1.08%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
BHARTIARTL	6.7	TATAMOTORS	-1.5
BAJFINANCE	5.1	NESTLEIND	-1.2
HINDALCO	4.9	INDUSINDBK	-1.2
EICHERMOT	4.7	RELIANCE	-0.6
SHREECEM	4.0	BPCL	-0.2

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	39.9	43.2	-3.3
STOCK FUT	186.6	160.7	25.9

Markets rose sharply, helping lift key benchmark indexes Sensex and the Nifty to fresh record closing highs

- Global cues were supportive as hopes for more policy support overshadowed economic risks from a surge in COVID-19 cases and concerns over China's regulatory clampdown on private industries.
- Closer home, investors awaited the GDP data for the first quarter due later in the day for clues to economic recovery.

Global & Asian market overview

- **European stocks** ended weak, reacting to data showing an acceleration in eurozone inflation and ECB Governing Council member Rob Holzmans's comments that the central bank should start debating to end the pandemic-era monetary stimulus.
- **US stocks** showed a lack of direction over the course of the trading session before ending the day modestly lower. Trading activity was relatively subdued, leading to the lackluster performance. Profit taking contributed to early weakness on Wall Street after the S&P 500 and the Nasdaq ended Monday's trading at new record closing highs.
- **Asian stocks** rose despite concerns over surging coronavirus cases in the region and the continuing regulatory clampdown in China. Investors ignored official data that showed China's services industry contracted in August for the first time since the height of the pandemic early last year.

Industry Buzz

- **Maruti Suzuki India:** Expects output to plunge in September as the semiconductor shortage hits production. Total vehicle production volume could be around 40% of normal output, the company said. Vehicle production to be affected at Haryana plant and contract manufacturer, Suzuki Motor Gujarat Pvt.'s Gujarat facility. The company cited "a supply constraint of electronic components due to the semiconductor shortage situation" for the impact on production.

- **Shoppers Stop:** Approved sale of 100% equity shares held by the company in Crossword Bookstores, a wholly owned subsidiary, to M/s.Dinesh Gupta, Aakash Gupta & Family (Owners of Agarwal Business House). The business of Crossword Bookstores is valued at Rs 41.6 crore. ABH will take over all the assets and brand.
- **BHEL:** Secured order worth Rs 10,800 crore from NPCIL for EPC of Turbine Island for 6 units of 700 MWe. Six orders, received from NPCIL on August 30, envisage setting up of 4 units of 700 MWe at Gorakhpur, Haryana and 2 units of 700 MWe at Kaiga, Karnataka.
- **Likhitha Infrastructure:** Received an order worth Rs 145.86 crore from Indradhanush Gas Grid for laying and construction of steel gas pipeline and terminals along with associated facilities for section 5 & 9 of North-East Gas Grid Project.
- **Wipro:** Partnered with HERE Technologies to offer location-based services, to customers from energy & utilities, manufacturing, transport & logistics, telecom and automotive industry verticals. Wipro and HERE will jointly develop

solutions in the areas of asset tracking, logistics, supply chain, smart-metering and analytics, field workforce management, and private mapping-as-a-service for indoor and outdoor real-time asset tracking.

- **AU Small Finance Bank:** Clarified on recent exits at the bank. Sumit Dhir, head of internal audit resigned due to changes in personal circumstances following Covid second wave, the bank said. Dhir continues to be on the bank's rolls as head of internal audit. The bank remains in discussions with him for a possible retention. In March, Nitin Gupta, who had been with the bank since 2015, resigned as head of internal audit. And in July Alok Gupta resigned as the chief risk officer.
- **ONGC:** Begins gas production from deepwater well in KG Basin block
- **Mastek:** The company partnered with fulfillmenttools to deliver modern omnichannel fulfillment solutions to customers worldwide.
- **CreditAccess Grameen:** Approved allotment of 1,000 secured NCDs of face value of Rs 10 lakh each, aggregating up to Rs 100 crore on private placement basis.
- **Tourism Finance Corporation of India:** To consider fundraising proposal on September 3. The board may consider raising funds by way of issue of equity shares, convertible/non-convertible preference shares, convertible securities of any description or warrants or debt securities.
- **JB Chemicals & Pharmaceuticals:** Vijay Bhatt has resigned as the Chief Financial Officer of the company effective August 31.
- **Chemplast Sanmar:** Appointed N Muralidharan as the Chief Financial Officer with effect from September 1.
- **HDFC Life Insurance Company:** To consider issue of equity shares and/or other securities of the company by way of preferential allotment on September 3.
- **Bank of Baroda:** Says ED Khichi's term extended until July 2022

Indian Macro

- The Reserve Bank of India (RBI), together with the government, is making efforts to enable international settlement of transactions in G-secs through International Central Securities Depositories (ICSDs), Governor Shaktikanta Das said speaking at the 21st FIMMDA-PDAI Annual conference. "Once operationalized, this will enhance access of non-residents to the G-secs market, as will the inclusion of Indian G-secs in global bond indices, for which efforts are ongoing," Das said. Expansion of the investor base is key to further development of the government securities market in India, Das said on August 31.
- The Finance Ministry on Tuesday said it has released about Rs 13,386 crore to 25 states for providing grants to rural local bodies (RLBs). Tied grants are released to the rural local bodies (RLBs) for improving two services -- Sanitation and maintenance of open-defecation free (ODF) status and supply of drinking water, rainwater harvesting and water recycling. "The Department of Expenditure, Ministry of Finance, has on Monday released an amount of Rs 13,385.70 crore to 25 States for providing grants to the Rural Local Bodies," the ministry said in a statement.
- Defence Minister Ranjath Singh on Tuesday launched 180 development projects worth over Rs 1,710 crore in his Lok Sabha constituency. UP Deputy Chief Minister Dinesh Sharma said Singh is fulfilling the dreams of former prime minister Atal Bihari Vajpayee, who also represented Lucknow, by ensuring the city's development. Singh, who had reached Lucknow earlier in the day, inaugurated 90 projects and laid foundation stones of 90 other projects at a function here. The development projects were of nine departments, including the Public Works Department (PWD), Medical and Health, Irrigation, Lucknow Municipal Corporation, Lucknow Development Authority and Smart City project.

Global Macro

- Stocks of crude oil in the United States fell by 4.045 million barrels in the week ended August 27th of 2021, following a 1.622 million barrels drop in the previous week, and marking the sixth straight weekly decline, data from the American Petroleum Institute showed. It compares with market expectations of a 2.833 million fall.
- The Chicago Business Barometer fell to 66.8 in August of 2021 from 73.4 in July, below market forecasts of 68. Order backlogs rose sharply while production sank. Firms say the available supply of raw materials and workers isn't sufficient to keep up with new orders. The prices paid subindex hit the highest level since 1979 as companies continued to report higher costs for production materials. Also, demand for labor rose only slightly as firms struggled to find qualified workers for available jobs.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	734	718	744	760	770
ASIANPAINT	3147	3071	3178	3253	3285
AXISBANK	782	775	785	792	796
BAJAJ-AUTO	3717	3695	3728	3751	3762
BAJAJFINSV	16708	16182	16954	17480	17726
BAJFINANCE	7295	6978	7447	7763	7916
BHARTIARTL	640	611	654	684	697
BPCL	468	464	472	475	479
BRITANNIA	3951	3922	3989	4018	4056
CIPLA	939	925	945	959	964
COALINDIA	144	142	145	147	148
DIVISLAB	5116	5058	5167	5224	5276
DRREDDY	4674	4627	4698	4745	4769
EICHERMOT	2598	2495	2648	2750	2801
GRASIM	1482	1456	1493	1518	1530
HCLTECH	1164	1147	1179	1195	1210
HDFC	2758	2713	2785	2831	2858
HDFCBANK	1570	1556	1577	1591	1598
HDCLIFE	710	699	714	725	729
HEROMOTOCO	2715	2685	2730	2759	2775
HINDALCO	457	438	464	483	490
HINDUNILVR	2689	2651	2713	2751	2775
ICICIBANK	713	706	716	723	727
INDUSINDBK	983	977	996	1003	1016
INFY	1698	1678	1707	1728	1736
IOC	109	106	110	113	114
ITC	209	206	210	213	215
JSWSTEEL	681	675	687	693	699
KOTAKBANK	1741	1730	1750	1761	1771
LT	1658	1636	1667	1689	1698
M&M	786	776	791	800	805
MARUTI	6782	6719	6827	6891	6935
NESTLEIND	19255	19058	19547	19745	20037
NTPC	115	114	116	117	117
ONGC	119	118	120	121	122
POWERGRID	174	174	176	176	178
RELIANCE	2236	2219	2260	2278	2302
SBILIFE	1180	1164	1187	1202	1210
SBIN	421	416	424	430	433
SHREECEM	27540	26584	28004	28960	29425
SUNPHARMA	786	776	794	804	811
TATACONSUM	861	853	864	872	876
TATAMOTORS	285	282	288	291	294
TATASTEEL	1434	1419	1446	1461	1473
TCS	3748	3675	3776	3848	3876
TECHM	1427	1393	1440	1474	1487
TITAN	1895	1861	1910	1945	1960
ULTRACEMCO	7731	7602	7796	7925	7989
UPL	734	729	741	746	753
WIPRO	634	625	638	648	652

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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