

## Morning Call

29 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	59,668	60,078	-0.68%
Nifty Index	17,749	17,855	-0.60%
NSEBANK INDEX	37,945	38,171	-0.59%
NSEAUTO INDEX	10,696	10,765	-0.64%
NSEIT INDEX	35,240	36,034	-2.20%

Market depth	Advance	Decline	T/O(bn)
NSE	782	1,254	706
BSE	1,436	1,828	50

Indices	Close	Previous	Chg. %
DJIA	34,300	34,869	-1.63%
NASDAQ	14,547	14,970	-2.83%
S&P 500	4,353	4,443	-2.04%
DAX	15,249	15,574	-2.09%
CAC 40	6,507	6,651	-2.17%
FTSE 100	7,028	7,063	-0.50%
HANG SENG	24,500	24,209	1.20%
SSE INDEX	3,602	3,583	0.54%
NIKKIE 225	30,184	30,240	-0.19%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
POWERGRID	4.4	BHARTIARTL	-3.7
COALINDIA	4.2	TECHM	-3.5
NTPC	3.7	BAJFINANCE	-3.3
SUNPHARMA	3.6	DIVISLAB	-2.8
IOC	3.5	BAJAJFINSV	-2.8

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	80.4	102.4	-22.1
STOCK FUT	490.7	514.1	-23.4

### Markets followed global peers lower

- Bajaj FinServ, Divis Laboratories, Bajaj Finance, Tech Mahindra and Bharti Airtel fell 3-4 percent in the Nifty pack, while IOC, Sun Pharma, NTPC, Coal India and Power Grid Corp all rose about 4 percent.
- BHEL soared 6.9 percent after it won an order from Goa Shipyard for warship gun mount.

### Global & Asian market overview

- **European stocks** closed sharply lower, weighed down by rising Treasury yields, surging oil prices, and worries about global economic recovery following data showing a slow pace of growth in China's industrial profits.
- **US stocks** Following the mixed performance seen in the previous session, stocks moved sharply lower during trading on Tuesday. With the steep drops on the day, the Nasdaq and the S&P 500 fell to their lowest closing levels in one and two months, respectively.
- **Asian stocks** fell broadly, with worries about the potential impact of a widening power shortage in China and Fed tapering signals denting sentiment. Chinese markets advanced after the People's Bank of China pledged to ensure a "healthy property market" amid the China Evergrande Group crisis.

### Industry Buzz

- **HDFC Asset Management Company:** Promoter Standard Life Investment seeks up to \$411 million from HDFC AMC share sale, according to terms of the deal. The promoter is offering 1.06 crore shares in HDFC AMC in an accelerated placement. The floor price has been fixed at Rs 2,870, which is at a discount of 6.68% to Tuesday's closing price.
- **Mahindra & Mahindra:** The company is weighing options to raise funds for its Automobili Pininfarina unit as it seeks to bring a delayed \$2.2 million electric hypercar into production, according to a Bloomberg report.

- **Lupin:** The company has launched Droxidopa Capsules in the United States. Droxidopa Capsules is a generic equivalent of Northera Capsules of Lundbeck NA Ltd., indicated for the treatment of orthostatic dizziness and light-headedness in adult patients.
- **Future Group stocks:** The NCLT, Mumbai bench has passed an order allowing the group to hold meetings of shareholders and creditors to seek approval for the scheme of arrangement. The scheme has been proposed between 20 Future Group entities, including 6 listed companies, with Reliance Retail Ventures and Reliance Retail and Fashion Lifestyle. The NCLT has also rejected the intervention application filed by Amazon.
- **Bharti Airtel:** CRISIL Ratings has upgraded its long-term rating on the bank facilities and debt programme of Bharti Airtel to AA+/Stable from AA/Stable and has reaffirmed the A1+ rating on the commercial paper programme.
- **Allcargo Logistics:** Allcargo Belgium NV, a wholly owned subsidiary of the company, has appointed Jefferies Financial as investment banker to evaluate fund raising opportunities for private equity and strategic investment in ECU Worldwide.

## Indian Macro

- The defence ministry has dissolved the Ordnance Factory Board (OFB) with effect from October 1 and transferred its assets, employees and management to seven public sector units (PSUs), according to an official order. As part of the "Atmanirbhar Bharat" (self-reliant India) package, the central government had announced on May 16 last year that it would improve autonomy, accountability and efficiency in ordnance supplies by corporatisation of the OFB. In an order dated September 28, the defence ministry said: "Government of India has decided to transfer, with effect from October 1, 2021, the management, control, operations and maintenance of these 41 production units and identified non-production units to seven government companies (wholly owned by the government of India)."
- Union Minister Smriti Irani said there is a need to ensure that a new India is built on the basis of women-led development. Highlighting various women-focussed development programmes launched by the Narendra Modi-led government over the last few years, Irani said the prospects for women get better when they are at the fulcrum of governance. "The Prime Minister says that we have for years initiated programmes which are dedicated towards women development, but as we build a new India we need to ensure that it is an India built on the basis of women-led development," she said in her address at the Economic Times SDG Summit.
- Prime Minister Narendra Modi launched 35 crop varieties with special traits -- developed by the Indian Council of Agricultural Research (ICAR) -- to address the twin challenges of climate change and malnutrition. The new crop varieties were dedicated to the nation through a video conference organised at all ICAR institutes, state and central agricultural universities and Krishi Vigyan Kendra. According to the PMO, 35 crop varieties with special traits like climate resilience and higher nutrient-content have been developed in 2021.

## Global Macro

- The People's Bank of China injected a total CNY 100 billion of 14-day reverse repos at an interest rate of 2.35 percent on September 29th 2021, the same as in the previous day, and marking the ninth straight day of cash injections in the financial system. The central bank reinforced the moves aim to maintain liquidity in the banking system ahead of the National Day holidays. The moves are also seen as a sign the authorities are willing to support the financial system and avoid a big collapse and contagion due to the Evergrande crisis
- The Manufacturing Activity Index in the US fifth district including the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and most of West Virginia dropped to -3 in September 2021, its lowest level since May 2020. The indexes for shipments and new orders declined to -1 and -19, respectively, also the lowest readings in 16 months. Meanwhile, the gauge for employment rose 2 points to +20. Manufacturers continued to see low inventories, lengthening lead times and backlogs of orders. In addition, firms reported weakening local business conditions, but they were optimistic that conditions would improve in the next six months.
- The goods trade deficit in the US increased to \$87.6 billion in August of 2021 from \$86.8 billion in July. Imports rose 0.8% mom to \$236.6 billion, led by consumer goods (4.6%) and industrial supplies (3%). Exports went up at a slightly slower 0.7% to \$149 billion, pushed up by sales of industrial supplies (5.9%) while shipments of capital goods declined 1.5%.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	725	717	741	749	765
ASIANPAINT	3345	3308	3387	3425	3467
AXISBANK	775	763	790	803	818
BAJAJ-AUTO	3876	3841	3911	3946	3980
BAJAJFINSV	17158	16916	17672	17913	18428
BAJFINANCE	7336	7181	7581	7736	7980
BHARTIARTL	675	660	701	716	742
BPCL	426	421	428	434	436
BRITANNIA	3961	3936	4015	4039	4094
CIPLA	964	944	970	990	997
COALINDIA	170	165	173	178	181
DIVISLAB	4662	4550	4814	4926	5078
DRREDDY	4798	4727	4826	4897	4925
EICHERMOT	2841	2813	2893	2921	2973
GRASIM	1623	1610	1654	1667	1697
HCLTECH	1247	1225	1276	1298	1327
HDFC	2757	2715	2804	2847	2893
HDFCBANK	1582	1557	1607	1632	1657
HDCLIFE	720	715	727	732	738
HEROMOTOCO	2894	2869	2917	2942	2965
HINDALCO	471	467	479	483	491
HINDUNILVR	2704	2684	2729	2748	2774
ICICIBANK	702	690	718	730	747
INDUSINDBK	1112	1095	1136	1153	1177
INFY	1669	1654	1689	1704	1724
IOC	120	117	122	125	127
ITC	235	233	238	240	243
JSWSTEEL	652	640	660	672	680
KOTAKBANK	2041	1994	2059	2105	2124
LT	1714	1696	1737	1754	1777
M&M	792	781	807	818	833
MARUTI	7306	7226	7414	7494	7602
NESTLEIND	19377	19288	19548	19637	19808
NTPC	128	125	131	135	137
ONGC	141	140	142	143	145
POWERGRID	177	170	183	190	196
RELIANCE	2519	2490	2542	2571	2594
SBILIFE	1191	1183	1210	1218	1237
SBIN	437	430	446	453	462
SHREECEM	28835	28608	29318	29545	30027
SUNPHARMA	772	746	782	809	818
TATACONSUM	812	804	825	833	845
TATAMOTORS	323	318	329	334	341
TATASTEEL	1262	1246	1279	1296	1313
TCS	3728	3690	3789	3826	3888
TECHM	1385	1368	1425	1441	1481
TITAN	2106	2067	2122	2161	2177
ULTRACEMCO	7461	7386	7624	7699	7862
UPL	704	696	719	727	741
WIPRO	630	623	642	648	660

## 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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