

## Morning Call

14 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,178	58,305	-0.22%
Nifty Index	17,355	17,369	-0.08%
NSEBANK INDEX	36,472	36,683	-0.58%
NSEAUTO INDEX	10,120	10,113	0.07%
NSEIT INDEX	35,130	34,802	0.94%

Market depth	Advance	Decline	T/O(bn)
NSE	1,053	981	525
BSE	1,689	1,586	38

Indices	Close	Previous	Chg. %
DJIA	34,870	34,608	0.76%
NASDAQ	15,106	15,115	-0.07%
S&P 500	4,469	4,459	0.23%
DAX	15,701	15,610	0.59%
CAC 40	6,677	6,664	0.20%
FTSE 100	7,068	7,029	0.56%
HANG SENG	25,814	26,206	-1.50%
SSE INDEX	3,715	3,703	0.33%
NIKKIE 225	30,447	30,382	0.22%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
COALINDIA	3.9	RELIANCE	-2.3
HINDALCO	3.3	ICICIBANK	-1.8
KOTAKBANK	1.7	SBILIFE	-0.9
TATASTEEL	1.6	HINDUNILVR	-0.8
BPCL	1.6	HDFCBANK	-0.8

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	27.3	33.8	-6.5
STOCK FUT	97.4	109.0	-11.6

### Markets ended modestly lower

- Metal stocks advanced, with Tata Steel, Hindalco and Coal India climbing 2-4 percent after the Commerce Ministry recommended the imposition of anti-dumping duty on certain aluminium products from China.
- Jet Airways jumped 5 percent after reports the airline will resume domestic flight operations in the first quarter of 2022.

### Global & Asian market overview

- **European stocks** closed higher as some bargain hunting after recent losses, and optimism about growth pushed up prices a bit. Worries about the spread of the Delta variant of coronavirus, and concerns over fresh regulatory crackdown on Chinese firms limited markets' gains.
- **US stocks** moved mostly higher during trading on Monday, with the Dow and the S&P 500 both snapping five-session losing streaks. The Nasdaq bucked the uptrend, however, as the tech-heavy index closed lower for the fourth straight session.
- **Asian stocks** ended broadly higher despite news of fresh regulatory crackdowns on Chinese firms and lingering concerns over the impact of COVID-19. Chinese shares advanced despite reports that the Biden administration was weighing a new probe into Chinese subsidies.

### Industry Buzz

- **ARSS Infrastructure Projects:** State Bank of India has filed a petition under IBC alleging Rs 2,273 crore payment default and seeking initiation of Corporate Insolvency Resolution Process against the company. ARSS is seeking legal advice and will take all appropriate steps to protect its interest in the aforesaid matter, the company said.
- **Allcargo Logistics:** The company has dropped plans to delist its shares after public shareholders voted against the offer to take the company private.

- **Zee Entertainment:** Manish Chokhani and Ashok Kurien have resigned from the position of non-executive non-independent directors of the company with immediate effect. Invesco Developing Markets Fund and OFI Global China Fund LLC in a letter on September 11 requisitioned EGM to remove Punit Goenka, Manish Chokhani and Ashok Kurien as directors.
- **Redington (India):** Step down subsidiary Arena Bilgisayar Sanayi Ve Ticaret A.S. Turkey concluded its binding Share Purchase Agreement to acquire 100% shares of Brightstar Telekomünikasyon Dagitim Ltd. Sti, for \$35 million.
- **Shriram City Union Finance:** To raise up to Rs 850 crore via secured NCD issue.
- **Wipro:** The company has partnered First Horizon Bank to transform the core banking channels and servicing capabilities of VirtualBank, an established digital bank that FHN inherited from Louisiana-based IBERIABANK as part of the merger completed in 2020.
- **DCM Shriram:** The company has approved the proposal to acquire 50% stake--17.32 lakh equity shares of Rs 10 each--of Shriram Axiall, a 50:50 JV between the company and Axiall LLC (USA), from Axiall LLC.

- **KNR Constructions:** The company received a Letter of Acceptance for Hyderabad Growth Corridor - widening of existing service roads from Nanakramguda to TSPA and Narsingi to Kollur and BT Overlay of Bitumen pavement from Gachibowli to Shamshabad of Outer Ring Road, Hyderabad. The contract is worth Rs 312.79 crore and is to be completed within a period of 15 months from the date of signing of the agreement.
- **Dilip Buildcon:** Subsidiary Bangalore Malur Highways has received the letter of the appointed date from the National Highways Authority of India and had declared the appointed w.e.f. September 15.
- **Vijaya Diagnostic Centre:** The stock will list on the bourses today. The final issue price has been fixed at Rs 531 per share.
- **Ami Organics:** The company will list its equity shares on the BSE and the NSE today. The offer price has been fixed at Rs 610 per equity share.

## Indian Macro

- Finance Minister Nirmala Sitharaman on Monday said that the trust between government and industry is critical for leveraging the opportunities thrown up by the COVID-19 pandemic while assuring that the proposed DFI, the National Bank for Infrastructure Financing and Development (NaBFID), will become functional soon. This trust is also reflected in the government's actions, she said while addressing members of industry chamber CII here. Elaborating on the government's strategy for handling the pandemic, the minister said that on one hand the focus is on ramping up vaccination as that was the biggest protection against the pandemic while on the other hand the government is working on ramping up health infrastructure, including in the tier 2 and tier 3 cities, by supporting the private sector.
- The Banks Board Bureau (BBB), the headhunter for state-owned banks and financial institutions, on Monday invited bids from firms to carry out background verification of candidates for director-level vacancies. The firm will prepare a candidate verification report for every aspirant to provide the necessary inputs to the BBB members before the interactions of the individual personages with the bureau, according to a public notice issued to invite bids. "A bidder will be selected under the Quality cum Cost Based System method (QCBS) with weightages of 80:20 (80 percent for technical proposal and 20 percent for financial proposal) and as per procedures described in this RFP," it said. It also said that Rs 9,000 per candidate for approximately 50 candidates per annum would be paid to the firm.

## Global Macro

- The US posted a budget deficit of USD 171 billion in August of 2021, compared with a USD 200 billion gap in the same period last year and broadly in line with market expectations of USD 173 million. Receipts for the month totalled USD 268 billion while outlays were USD 439 billion. For the first eleven months of the 2021 fiscal year, the US federal deficit came in at USD 2.711 trillion, below a USD 3.007 trillion deficit the year earlier.
- US consumers' inflation expectations for the year-ahead increased for the 10th straight month to 5.2% in August of 2021, a new series high, driven by food (+0.8 percentage point to 7.9%); rent (+0.2 percentage point to 10%); medical care (+0.2 percentage point to 9.7%), and gas (+1.1 percentage points to 9.2%). In contrast, the expected price of college education decreased by 0.5 percentage point to 7. Home price growth expectations continued to moderate but remain elevated (5.9% vs 6%). Meanwhile, inflation expectations at the three-year horizon also increased by 0.3 percentage point to a new record high of 4%. Perceptions about households' current financial situations improved and income growth expectations rose to a new series high.
- China's yuan was little-changed at 6.44 against the US dollar in September, not far from a recent two-and-a-half-month peak of 6.42, amid uncertainty surrounding geopolitical tensions and the health of the world's second-largest economy. The yuan gained last week after President Joe Biden and President Xi Jinping discussed over the phone the need to manage competition between their countries and avoid conflict. However, there were no signs of improvements in

either Sino-US relations such as the lowering of tariffs, or changes in Chinese economic fundamentals. Meanwhile, latest economic data painted a mixed picture, with business activity contracting during August due to coronavirus outbreaks and new bank lending rising less than expected, while the country's trade figures easily beat forecasts. Elsewhere, hawkish comments by US Fed officials suggested a slowdown in the US recovery won't be enough to delay tapering much.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	739	733	746	751	758
ASIANPAINT	3344	3315	3359	3388	3403
AXISBANK	784	780	787	791	794
BAJAJ-AUTO	3680	3660	3700	3720	3740
BAJAJFINSV	16716	16441	16855	17130	17269
BAJFINANCE	7380	7295	7438	7523	7581
BHARTIARTL	686	680	691	697	703
BPCL	495	489	497	503	505
BRITANNIA	4073	4044	4088	4117	4132
CIPLA	945	938	950	957	961
COALINDIA	151	147	154	158	160
DIVISLAB	5043	4974	5069	5138	5164
DRREDDY	4895	4847	4921	4969	4995
EICHERMOT	2781	2760	2798	2819	2836
GRASIM	1587	1566	1600	1621	1634
HCLTECH	1189	1164	1202	1228	1241
HDFC	2825	2808	2850	2867	2893
HDFCBANK	1541	1532	1562	1571	1593
HDCLIFE	725	715	734	744	753
HEROMOTOCO	2774	2750	2793	2816	2836
HINDALCO	473	465	477	485	489
HINDUNILVR	2763	2745	2793	2811	2840
ICICIBANK	701	697	710	714	722
INDUSINDBK	991	986	998	1002	1009
INFY	1678	1663	1690	1704	1716
IOC	113	112	114	115	115
ITC	212	210	214	216	217
JSWSTEEL	689	682	694	701	707
KOTAKBANK	1821	1781	1836	1877	1891
LT	1663	1654	1669	1678	1684
M&M	739	733	746	753	760
MARUTI	6833	6782	6864	6915	6946
NESTLEIND	20294	20127	20397	20564	20667
NTPC	114	114	115	116	116
ONGC	122	120	123	124	125
POWERGRID	173	172	174	174	175
RELIANCE	2337	2320	2385	2402	2450
SBILIFE	1150	1139	1165	1176	1190
SBIN	430	427	432	435	437
SHREECEM	30328	30075	30580	30833	31085
SUNPHARMA	774	767	779	786	790
TATACONSUM	873	865	879	887	892
TATAMOTORS	298	293	300	304	306
TATASTEEL	1452	1427	1462	1488	1498
TCS	3799	3740	3826	3884	3911
TECHM	1419	1410	1429	1438	1449
TITAN	2021	2010	2032	2043	2054
ULTRACEMCO	7890	7867	7927	7950	7987
UPL	746	741	757	763	773
WIPRO	664	654	668	678	682

## 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

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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

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## 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