

# Morning Call

13 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,305	58,250	0.09%
Nifty Index	17,369	17,354	0.09%
NSEBANK INDEX	36,683	36,768	-0.23%
NSEAUTO INDEX	10,113	10,100	0.12%
NSEIT INDEX	34,802	34,678	0.36%

Market depth	Advance	Decline	T/O(bn)
NSE	1,089	901	498
BSE	1,767	1,428	81

Indices	Close	Previous	Chg. %
DJIA	34,608	34,879	-0.78%
NASDAQ	15,115	15,248	-0.87%
S&P 500	4,459	4,493	-0.77%
DAX	15,610	15,623	-0.09%
CAC 40	6,664	6,685	-0.31%
FTSE 100	7,029	7,024	0.07%
HANG SENG	26,206	25,716	1.91%
SSE INDEX	3,703	3,693	0.27%
NIKKIE 225	30,382	30,008	1.25%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
ONGC	2.7	SBILIFE	-3.8
BHARTIARTL	2.6	HDFCLIFE	-1.0
NESTLEIND	2.6	TITAN	-1.0
HINDALCO	1.5	ULTRACEMCO	-0.8
GRASIM	1.2	BAJAJ-AUTO	-0.7

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	24.0	39.1	-15.2
STOCK FUT	98.8	111.5	-12.8

## Markets ended marginally higher despite weak global cues

- Markets erased early declines to end on a flat note after the Finance Ministry hinted at hopes for the road ahead and said that the V-shaped recovery will be intact, despite the possible onset of the third wave of the pandemic.
- UCO Bank soared 10.6 percent after the RBI removed lending curbs on the bank.

## Global & Asian market overview

- **European stocks** After spending much of the day's session in positive territory despite some weak economic data from the region, European markets closed lower, paring gains in the final hour.
- **US stocks** once again failed to sustain an early upward move and came under pressure over the course of the trading day. With the downturn on the day, the Dow and the S&P 500 closed lower for the fifth consecutive session. The major averages accelerated to the downside going into the close, ending the day firmly negative.
- **Asian stocks** mostly trod in positive territory, as easing concerns about U.S.-China tensions and clarifications that Chinese regulatory crackdown on gaming companies were not as harsh as originally reported, lifted sentiment in the region. Hang Seng's Hang Seng Index led the region's rally with a gain of 1.9 percent.

## Industry Buzz

- **Reliance Infrastructure:** The company has won an arbitration award against Delhi Metro Rail Corporation. The Supreme Court has ordered DMRC to pay damages of Rs 2,950 crore plus interest up to the date of payment to Delhi Airport Metro Express Pvt. Ltd., a subsidiary of the company. The proceeds from the arbitral award will be utilised for debt reduction, the company said.
- **Hinduja Global Solutions:** Crown Commercial Services Framework renewed the company's approval to supply contact centre and business services solutions on the CCS Framework in the U.K.

- **ICICI Lombard General Insurance** has ceased to be a subsidiary of ICICI Bank, as the bank's shareholding has come down to 48.08% from 51.86% after the merger of Bharti AXA General Insurance Company with the insurer. ICICI Lombard on September 8, allotted equity shares of the company to the eligible shareholders of Bharti AXA, as per the scheme of arrangement between the two insurers.
- **Indiabulls Housing Finance:** The company has received the approval from CCI to divest its mutual fund business to Groww for Rs 175 crore. The company's wholly owned subsidiaries, Indiabulls AMC and Indiabulls Trustee Company had entered into a definitive transaction agreement in May this year with Nextbillion Technology (Groww) for divestment of mutual fund business carried out by these two entities.
- **JSW Steel:** Moody's Investors Service changed the outlook on JSW Steel to positive from stable. The ratings agency also affirmed the company's Ba2 Corporate Family Rating and its Ba2 Senior Unsecured Debt Rating. Further, it has assigned Ba2 rating to the company's proposed U.S. dollar senior unsecured notes. Similarly, Fitch Ratings has assigned ratings of BB- and

Recovery Ratings of RR4 to the proposed notes. The notes will be issued in two tranches and the proceeds will be used for capex or other purposes in accordance with regulations.

- **Reliance Industries:** Jio Platforms has delayed the launch of JioPhone Next till at least November amid a global shortage of chipsets. The made-for-India smartphone, which is being co-developed with Google, was slated to be released on September 10.
- **InterGlobe Aviation:** IndiGo is aiming at running at full capacity domestically by December. The current load factor for the airline is around 70% and yields are likely to rise in coming months, said CEO Ronojoy Dutta. Current cash levels are pretty good, but company wants to raise funds as an insurance buffer against a possible third Covid wave, he added.
- **Prakash Industries:** The company has been declared as successful bidder in respect of Bhaskarpara Coal Mine in the 12th tranche of auction of coal mines.
- **Arvind SmartSpaces:** The board has approved the allotment of 68.5 lakh equity shares aggregating to about Rs 85 crore to HDFC Capital Affordable Real Estate Fund-1 and the promoters of ASL at the price of Rs 124 per share.

## Indian Macro

- The Central Board of Indirect Taxes and Customs has directed its officers to expeditiously dispose the unclaimed, uncleared, and confiscated goods that are holding up containers, a move aimed at easing availability of containers for exporters. In an instruction to its field officers, the CBIC said that they should take proactive steps so that containers housing imported cargo that are under enquiry are expeditiously released. "To continue the emphasis on enhancing the availability of containers, the Board has decided that the field formations also....dispose expeditiously the unclaimed/uncleared/seized/confiscated goods including that are holding up containers following the timelines and procedures prescribed in a Board's circular," it said.
- As the low base effect slowly wears off, industrial production in India expanded by 11.5 percent year-on-year (YoY) in July, down from 13.6 percent in June. Measured by the Index of Industrial Production (IIP), data which was released by the Centre on September 10, industrial output has maintained significant growth from March, 2021, aided by a continuing low base effect. Case in point, industrial production rose by 28.6 percent in May and a massive 134 percent rise in April. Experts said the indices for the current months in 2021 are not strictly comparable with the same months from 2020, when the nationwide lockdown was in full force and a majority of factories were not operating. Consequently, there were many units which reported 'Nil' production, affecting comparison of the indices for May 2020 and May 2021. "The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 pandemic since March 2020," the government said. However, this effect is now slowly wearing off as industrial production is now being calculated based on their annual differences with months after the first wave was controlled, and lockdowns were lifted.

## Global Macro

- WTI crude futures settled 2.3% higher at \$69.72 a barrel on Friday, rebounding from a 1.7% plunge in the previous session, and advanced 0.5% for the week on supply concerns and as trade talks between the US and China supported riskier assets. About three-quarters of US Gulf of Mexico offshore oil output remains halted due to disruptions caused by Hurricane Ida. Also, US crude oil inventories fell by 1.529 million barrels to 423.9 million barrels last week, the fifth straight decline and the lowest level since September 2019. Meanwhile, a phone call between President Biden and President Xi Jinping boosted hopes for more global trade and warmer relations.
- Brent crude settled 2.1% higher at \$72.92 a barrel on Friday, and went up 0.2% for the week, as investors digest China's decision to tap for the first time ever its giant oil reserves to ease the pressure of rising raw material prices. A statement

by China's Strategic Reserves Administration Thursday came after factory-gate inflation in the country accelerated to a 13-year high, and just a month after the White House asked the OPEC+ to pump more oil amid rising gasoline prices in America. Meantime, Hurricane Ida's fallout continued to cripple US oil production, as producers struggle to restart offshore platforms. In Asia, worries persisted over rising cases of the Delta strain, with Japan Thursday extending its state of emergency in 19 prefectures, including in Tokyo, until the end of this month. In inventory news, US crude oil inventories fell by 1.529 million barrels last week to 423.9 million barrels, the fifth period of a drop to the lowest level since September 2019.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	745	739	748	754	757
ASIANPAINT	3316	3284	3338	3370	3392
AXISBANK	785	780	789	794	799
BAJAJ-AUTO	3683	3672	3706	3717	3740
BAJAJFINSV	16569	16355	16698	16911	17041
BAJFINANCE	7388	7344	7424	7468	7504
BHARTIARTL	675	660	682	696	703
BPCL	490	487	491	494	495
BRITANNIA	4035	4008	4077	4103	4145
CIPLA	938	919	945	964	971
COALINDIA	147	146	149	150	152
DIVISLAB	5035	5010	5060	5085	5109
DRREDDY	4889	4861	4906	4935	4951
EICHERMOT	2784	2747	2808	2845	2869
GRASIM	1580	1558	1591	1613	1624
HCLTECH	1188	1175	1196	1210	1218
HDFC	2807	2790	2830	2847	2870
HDFCBANK	1558	1550	1569	1576	1587
HDCLIFE	730	727	738	742	749
HEROMOTOCO	2777	2749	2792	2821	2835
HINDALCO	458	452	462	469	473
HINDUNILVR	2784	2762	2804	2826	2846
ICICIBANK	717	714	720	723	727
INDUSINDBK	993	987	1000	1007	1013
INFY	1682	1675	1688	1694	1701
IOC	112	111	113	114	115
ITC	211	209	213	215	216
JSWSTEEL	685	680	688	693	697
KOTAKBANK	1801	1786	1821	1835	1856
LT	1656	1643	1668	1681	1694
M&M	747	743	752	756	761
MARUTI	6761	6711	6790	6839	6868
NESTLEIND	20008	19582	20266	20692	20951
NTPC	114	113	114	115	116
ONGC	119	116	122	125	127
POWERGRID	172	171	173	175	175
RELIANCE	2413	2404	2426	2435	2447
SBILIFE	1158	1147	1179	1190	1211
SBIN	430	428	432	434	436
SHREECEM	30421	30196	30625	30850	31054
SUNPHARMA	770	765	776	781	787
TATACONSUM	867	862	877	882	892
TATAMOTORS	293	289	298	303	308
TATASTEEL	1431	1409	1441	1463	1473
TCS	3771	3746	3790	3815	3834
TECHM	1419	1405	1429	1443	1453
TITAN	2016	1999	2038	2054	2077
ULTRACEMCO	7888	7853	7936	7971	8019
UPL	754	750	758	761	766
WIPRO	657	650	661	668	671

## 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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