

Morning Call

20 August 2021

Indices	Close	Previous	Chg. %
Sensex Index	55,629	55,792	-0.29%
Nifty Index	16,569	16,615	-0.28%
NSEBANK INDEX	35,555	35,867	-0.87%
NSEAUTO INDEX	10,068	10,088	-0.20%
NSEIT INDEX	33,449	33,415	0.10%

Market depth	Advance	Decline	T/O(bn)
NSE	689	1,325	587
BSE	1,068	2,123	61

Indices	Close	Previous	Chg. %
DJIA	34,894	34,961	-0.19%
NASDAQ	14,542	14,526	0.11%
S&P 500	4,406	4,400	0.13%
DAX	15,766	15,966	-1.25%
CAC 40	6,606	6,770	-2.43%
FTSE 100	7,059	7,169	-1.54%
HANG SENG	25,316	25,867	-2.13%
SSE INDEX	3,466	3,485	-0.57%
NIKKIE 225	27,281	27,586	-1.10%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
EICHERMOT	2.7	KOTAKBANK	-2.3
ULTRACEMCO	2.4	HINDALCO	-2.3
BAJFINANCE	2.1	ICICIBANK	-2.0
ADANI PORTS	1.7	SBILIFE	-1.8
GRASIM	1.6	TATAMOTORS	-1.5

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	43.2	43.6	-0.4
STOCK FUT	170.8	160.8	10.0

Markets remain closed today on account of Muharram

- Benchmark indexes Sensex and the Nifty ended down about 0.3 percent each on Wednesday while the rupee gained 11 paise to close at 74.24 against the greenback.
- Oil prices held steady in Asian trade after four straight days of declines, helped by a bigger-than-expected drawdown in U.S crude inventories.

Global & Asian market overview

- **European stocks** closed sharply lower, weighed down by a sell-off in miners and energy companies, and amid uncertainties about Fed's tapering plans after the minutes of the Fed's July meeting showed policymakers were for reducing monthly bond buying later this year.
- **US stocks** After pulling back sharply over the course of the two previous sessions, stocks showed a lack of direction throughout the trading day. The major averages bounced back and forth across the unchanged line before ending the day mixed.
- **Asian stocks** tumbled, with renewed worries about slowing global growth and uncertainty over Federal Reserve policy moves keeping investors nervous.

Industry Buzz

- **Reliance Industries:** The company has shutdown its manufacturing units at Nagothane in Maharashtra. The product supplies to customers will however continue through available stocks and diverting from other manufacturing sites, the company said. The units are expected to resume normal operations from August 25.
- **Zomato:** Completed the acquisition of 9.16% of shareholding on a fully diluted basis in Grofers India for Rs 518 crore and 8.94% of shareholding on fully diluted basis in Hands on Trades for Rs 222 crore.

- **Advanced Enzyme Technologies:** Completed the acquisition of additional stake of 15% in its subsidiary, JC Biotech. The company bought of 31.06 lakh equity shares of JCB for Rs 21.12 crore. Consequently, the company's stake in JCB has increased to 85% from 70%.
- **Ujjivan Small Finance Bank:** Nitin Chugh has resigned as Managing Director and CEO of the bank. Chugh's resignation to be effective from September 30.
- **NLC India:** Raised Rs 750 crore through allotment of 15,000 Commercial Papers of face value of Rs 5 lakh each.
- **Indostar Capital Finance:** Promoter Indostar Capital to sell 61.89 lakh equity shares, representing 4.56% of the total equity share capital on a fully diluted basis, through an Offer for Sale. The promoter will also have a greenshoe option to sell an additional 61.89 lakh equity shares. The floor price of Rs 290 per share is a 14.34% discount to Wednesday's closing price. The OFS opens for non-retail investors today and for retail investors on August 23.

- **CG Power and Industrial Solutions:** Approved the proposal for voluntary winding up of CG Middle East FZE, a non-operating step-down subsidiary and CG International (Holdings) Singapore Pte., a wholly owned subsidiary of the company, subject to receipt of statutory and regulatory approvals. The company also approved closure of CG Power Solutions, its non-operating subsidiary, under the provisions of the Insolvency and Bankruptcy Code, 2016.

Indian Macro

- India's export of soyameal, used as livestock feed, declined 57 per cent to 26,725 tonne in July as compared to the year-ago period, amid tight domestic supplies, industry body SEA said. Exports are taking place at a time when the government is making efforts to facilitate early import of 12 lakh tonne soyameal to boost domestic supplies and check prices. The government has even cleared the air on import of genetically modified (GM) soyameal and traders have started placing import orders.

Global Macro

- The People's Bank of China (PBoC) left its benchmark interest rates for corporate and household loans steady for the 16th straight month at its August fixing, as widely expected. The one-year loan prime rate (LPR) was kept unchanged at 3.85%, while the five-year remained at 4.65%. Most new and outstanding loans in China are based on the one-year LPR while the five-year is used for the pricing of mortgages.
- The United Kingdom's GfK Consumer Confidence index edged down to -8 in August of 2021 from -7 in the previous month, which was the highest level since the start of the COVID-19 pandemic. It compared with market expectations of -7. Still, GfK said the gist of the survey remained upbeat. "Expectations for our personal financial situation for the coming 12 months are holding up and this positivity bodes well for the economy going forwards this year and next," said Joe Staton, client strategy director at GfK. "Interestingly, this month the five-point fall in the major purchase index is counterbalanced by the five-point rise in the savings index, suggesting that consumers could be considering switching into saving rather than spending."
- Initial jobless claims likely fell last week to a new pandemic low of 363 thousand, a fourth straight period of decline, signaling a continued recovery in the US labor market even as many US states struggle to contain rising coronavirus cases amid the spread of the Delta variant. Still, new weekly claims are set to remain elevated compared with an average of 200 thousand seen before the pandemic. The total number of claimants is likely to decline further in the coming weeks as more states end federal unemployment benefits ahead of their official September expiration date at the national level. Also, Continuing claims likely dropped to a fresh pandemic-era low of 2.8 million.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	695	682	702	714	721
ASIANPAINT	2971	2954	3010	3027	3065
AXISBANK	745	741	754	758	767
BAJAJ-AUTO	3794	3744	3825	3876	3906
BAJAJFINSV	14711	14473	14974	15212	15476
BAJFINANCE	6427	6300	6534	6661	6767
BHARTIARTL	616	612	625	629	638
BPCL	460	458	463	466	469
BRITANNIA	3697	3671	3714	3741	3757
CIPLA	904	896	907	914	918
COALINDIA	137	137	139	140	141
DIVISLAB	4859	4832	4929	4956	5026
DRREDDY	4644	4619	4700	4724	4780
EICHERMOT	2546	2500	2573	2619	2646
GRASIM	1491	1471	1500	1519	1529
HCLTECH	1120	1113	1139	1146	1165
HDFC	2674	2650	2722	2746	2794
HDFCBANK	1483	1467	1524	1540	1581
HDCLIFE	668	665	672	675	678
HEROMOTOCO	2746	2728	2770	2788	2813
HINDALCO	419	414	429	434	445
HINDUNILVR	2463	2435	2481	2509	2527
ICICIBANK	678	672	690	696	707
INDUSINDBK	979	974	992	998	1011
INFY	1718	1708	1737	1746	1765
IOC	105	104	106	107	108
ITC	208	206	210	211	213
JSWSTEEL	729	723	739	745	755
KOTAKBANK	1725	1713	1758	1769	1802
LT	1613	1603	1637	1647	1671
M&M	785	781	791	795	801
MARUTI	6780	6738	6862	6903	6985
NESTLEIND	18803	18667	18886	19022	19105
NTPC	115	114	117	118	120
ONGC	112	111	114	114	116
POWERGRID	178	176	182	184	188
RELIANCE	2151	2135	2169	2185	2203
SBILIFE	1091	1072	1119	1137	1165
SBIN	416	414	420	422	426
SHREECEM	26101	25886	26331	26546	26776
SUNPHARMA	777	772	784	789	796
TATACONSUM	833	824	839	848	854
TATAMOTORS	291	289	294	296	299
TATASTEEL	1482	1470	1500	1513	1531
TCS	3531	3504	3563	3589	3621
TECHM	1402	1393	1413	1422	1434
TITAN	1860	1845	1875	1890	1906
ULTRACEMCO	7431	7259	7578	7750	7897
UPL	756	748	761	768	774
WIPRO	621	616	630	636	645

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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