

Morning Call

07 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,297	58,130	0.29%
Nifty Index	17,378	17,324	0.31%
NSEBANK INDEX	36,592	36,761	-0.46%
NSEAUTO INDEX	10,167	10,125	0.42%
NSEIT INDEX	35,415	34,891	1.50%

Market depth	Advance	Decline	T/O(bn)
NSE	1,019	1,007	562
BSE	1,643	1,686	39

Indices	Close	Previous	Chg. %
DJIA	35,369	35,444	-0.21%
NASDAQ	15,364	15,331	0.21%
S&P 500	4,535	4,537	-0.03%
DAX	15,932	15,781	0.96%
CAC 40	6,744	6,690	0.80%
FTSE 100	7,187	7,138	0.68%
HANG SENG	26,164	25,902	1.01%
SSE INDEX	3,622	3,582	1.12%
NIKKIE 225	29,660	29,128	1.83%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
WIPRO	5.0	IOC	-1.6
HCLTECH	2.7	INDUSINDBK	-1.2
INFY	1.8	ONGC	-1.2
RELIANCE	1.7	BRITANNIA	-1.1
HINDALCO	1.6	KOTAKBANK	-0.9

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	28.6	25.2	3.5
STOCK FUT	129.3	131.3	-2.0

Markets eked out modest gains to reach record closing highs

- IT stocks led advances, with Infosys, HCL Technologies and Wipro climbing 2-5 percent.
- Reliance Industries informed exchanges post market hours on Friday that its subsidiary Reliance Strategic Business Ventures acquired 2.28 crore shares in Strand Life Sciences for a consideration of ₹ 393 crore.

Global & Asian market overview

- **European stocks** closed higher on hopes the Federal Reserve will continue with its easy monetary policy for longer time, and central banks in several countries, including Japan and China will announce additional stimulus to keep economic recovery on track.
- **US stocks** With traders showing some uncertainty about the repercussions of the Labor Department's monthly jobs, stocks turned in a lackluster performance during trading on Friday. Despite the choppy trading, the tech-heavy Nasdaq reached a new record closing high. The markets were closed on Monday.
- **Asian stocks** ended broadly higher as weak U.S. hiring in August fueled expectations the Federal Reserve would not rush in tapering its asset buying plans in the September meeting.

Industry Buzz

- **Dish TV India:** YES Bank, which holds a 25.63% stake in Dish TV India, has sought the removal of five directors in the company, including Managing Director Jawahar Lal Goel. YES Bank has given a special notice under Section 169 of the Companies Act, 2013. The bank said the current board of directors of the company had approved a rights issue process despite the bank's objections solely to dilute its shareholding and to prejudice the interests of the bank.
- **Cochin Shipyard:** Has emerged as the lowest bidder in the 6-vessel tender from the Indian Navy for the next generation missile vessels worth about Rs 10,000 crore and the formal contract signing is expected shortly, said Madhu Nair, Chairman & Managing Director.

- **VST Tillers Tractors:** The company has entered into an agreement with Export Trading Group, for distribution of its tractors, power tillers, power reapers and diesel engines in the Southern African markets including South Africa, Namibia, Botswana, Zimbabwe, Swaziland, and Zambia.
- **Triveni Turbine:** Due to multiple disputes for over two years amongst joint venture partners, Triveni Turbine and DI Netherlands BV and Baker Hughes and its affiliates, General Electric Company and its affiliates, these parties agreed to terminate the joint venture agreement and finally resolved the multiple disputes amongst them. The JV stands terminated, as do all technology and brand licenses executed among the former JV partners. Further, the entire shareholding held by DI Netherlands BV in the equity share capital of GE Triveni has been acquired by the company for Rs 7.99 crore.
- **SVP Global Ventures:** Approved the appointment of OP Gulia as CEO of the company.

- **Ashapura Minechem:** Operations in Guinea continue to be normal despite certain political developments in Conakry, the capital of Guinea, since September 5, the company said. We continue to monitor the situation closely; all the employees of the Ashapura Group in Guinea remain safe and are in contact with the company, it added.
- **Starteck Finance:** The company approved to sell 100% stake in subsidiary Starteck Housing Finance to Paripurna Trust and/or Matrabhav Trust for Rs 11.45 crore.
- **Auto stocks:** FADA releases auto retail data for August

Earnings Update

- **Nuvoco Vistas Corporation Q1FY22 (Consolidated, QoQ):** Revenue down 16% at Rs 2,202.97 crore Vs Rs 2,631.61 crore Net profit up 2.05 times at Rs 114.28 crore Vs Rs 37.52 crore Ebitda down 1% at Rs 514.29 crore Vs Rs 522.06 crore Margins at 23.3% Vs 19.8%

Indian Macro

- Multilateral funding agency Asian Development Bank has approved a USD 150 million (about Rs 1,095 crore) loan for a sustainable housing project for the urban poor in Tamil Nadu. The loan to provide access to inclusive, resilient, and sustainable housing for the urban poor in Tamil Nadu was approved on September 3, 2021, ADB said in a release on Monday. The Manila-headquartered funding agency said Tamil Nadu is vital to India's economic growth, contributing 8.54 percent to the country's gross domestic product (GDP).
- The pollution, emissions and clean-up costs of plastic produced in 2019 alone could be \$3.7 trillion, according to a report released Monday by wildlife charity WWF, warning of the environmental and economic burden of this "seemingly cheap" material. There is increasing international alarm over the sheer volumes of fossil-fuel based plastics entering the environment, as microplastics have infiltrated even the most remote and otherwise pristine regions of the planet. In its report, WWF said societies were "unknowingly subsidizing" plastic, with their estimates for the lifetime costs of 2019 production equivalent to more than the gross domestic product of India.

Global Macro

- US natural gas futures traded around \$4.7 per million British thermal units for the first time since December 2018 buoyed by hurricane Ida threat and stronger demand. Natural gas explorers in the US Gulf of Mexico refineries remained offline while energy firms evaluated the aftermath of Hurricane Ida. The demand is likely to remain strong as hot weather is expected to stay until early September. Meanwhile, natural gas prices in Europe hit a fresh record high of 52.68 euros a megawatt-hour as Europe is facing a shortage. Gas flows at Mallnow station in Germany, dropped to its lowest in 2 weeks after a fire in Gazprom facility in Russia early in August.
- New car registrations in the United Kingdom fell by 22.0 percent year-on-year to 68,033 units in August 2021, which is traditionally one of the quietest months of the year for new car registrations ahead of the important plate-change in September. The monthly performance was the weakest since August 2013, and down -7.6 percent against the average recorded over the last decade, due in part to constrained supply as the global shortage of semiconductors continued to undermine production volumes. Registrations by private, business and fleet buyers all fell by double digits in the month with fleet purchases down -27.5 percent, a loss of 12,627 units. Private activity held up better, with registrations dropping -15.2 percent to 33,771 units.

- The IHS Markit/CIPS UK Construction PMI dropped to 55.2 in August 2021, from 58.7 in the previous month and below market expectations of 56.9. The latest reading pointed to the softest pace of expansion in the sector since February as restricted supply of materials and transport began to weigh on overall activity. Commercial work was the best performing broad category of construction output in August, even as growth eased to a six-month low, followed by housebuilding and civil engineering. Total new work rose the least since March, while the pace of job creation slowed to a four-month low as additional cost burdens and a lack of skilled workers began to weigh on the rate of hiring. On the price front, input cost inflation accelerated to the second-fastest rate in the 24-year history of the survey. Looking ahead, construction companies remained highly upbeat about their growth prospects over the coming 12 months.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	742	736	754	760	771
ASIANPAINT	3299	3282	3323	3341	3365
AXISBANK	795	790	801	806	811
BAJAJ-AUTO	3747	3729	3788	3806	3847
BAJAJFINSV	16578	16480	16773	16872	17067
BAJFINANCE	7450	7403	7533	7580	7662
BHARTIARTL	649	645	657	661	670
BPCL	488	486	492	494	499
BRITANNIA	4036	4004	4093	4124	4181
CIPLA	943	935	950	958	966
COALINDIA	144	143	146	148	150
DIVISLAB	5165	5142	5206	5229	5271
DRREDDY	4868	4834	4906	4940	4977
EICHERMOT	2795	2756	2842	2881	2927
GRASIM	1503	1480	1535	1558	1590
HCLTECH	1188	1163	1199	1224	1235
HDFC	2749	2727	2763	2785	2800
HDFCBANK	1556	1549	1568	1575	1587
HDCLIFE	727	721	736	743	751
HEROMOTOCO	2801	2786	2815	2830	2844
HINDALCO	462	455	469	475	482
HINDUNILVR	2755	2740	2790	2805	2840
ICICIBANK	716	714	722	724	730
INDUSINDBK	983	978	996	1000	1013
INFY	1715	1691	1723	1748	1756
IOC	110	109	112	113	114
ITC	208	207	210	210	212
JSWSTEEL	678	672	688	694	703
KOTAKBANK	1756	1744	1782	1794	1820
LT	1681	1673	1698	1706	1724
M&M	750	742	755	763	768
MARUTI	6782	6752	6868	6898	6984
NESTLEIND	20083	20028	20216	20271	20404
NTPC	116	115	117	118	119
ONGC	120	119	122	123	125
POWERGRID	173	171	175	176	178
RELIANCE	2395	2370	2438	2463	2506
SBILIFE	1238	1228	1243	1252	1257
SBIN	429	428	431	433	435
SHREECEM	29995	29769	30626	30851	31483
SUNPHARMA	777	772	785	790	798
TATACONSUM	862	855	870	876	884
TATAMOTORS	296	294	297	298	300
TATASTEEL	1421	1408	1437	1450	1465
TCS	3816	3783	3847	3880	3910
TECHM	1447	1426	1458	1479	1489
TITAN	2007	1993	2020	2033	2046
ULTRACEMCO	7898	7856	7972	8014	8088
UPL	752	746	755	761	765
WIPRO	671	648	680	704	712

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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