

## Morning Call

08 October 2021

Indices	Close	Previous	Chg. %
Sensex Index	59,678	59,190	0.82%
Nifty Index	17,790	17,646	0.82%
NSEBANK INDEX	37,753	37,522	0.62%
NSEAUTO INDEX	11,032	10,568	4.39%
NSEIT INDEX	35,704	35,076	1.79%

Market depth	Advance	Decline	T/O(bn)
NSE	1,429	608	738
BSE	2,174	1,125	56

Indices	Close	Previous	Chg. %
DJIA	34,755	34,417	0.98%
NASDAQ	14,654	14,502	1.05%
S&P 500	4,400	4,364	0.83%
DAX	15,251	14,973	1.85%
CAC 40	6,600	6,493	1.65%
FTSE 100	7,078	6,996	1.17%
HANG SENG	24,702	23,966	3.07%
SSE INDEX	3,568	3,536	0.90%
NIKKIE 225	27,678	27,529	0.54%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
TATAMOTORS	12.6	ONGC	-4.5
TITAN	10.5	DRREDDY	-1.3
M&M	4.9	COALINDIA	-1.0
MARUTI	4.1	DIVISLAB	-0.8
EICHERMOT	3.2	BRITANNIA	-0.8

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	56.5	44.6	11.9
STOCK FUT	167.2	145.8	21.4

### Markets ended on a strong note

- Tata Group stocks were in focus, with Tata Motors surging 12.6 percent on reports that the company is in talks with Ford India for taking over their car manufacturing plant in Chennai.
- Jewellery and watch maker Titan jumped 10.5 percent after saying it has witnessed a strong recovery in demand in the July-September quarter.

### Global & Asian market overview

- **European stocks** closed higher as U.S. lawmakers reached an agreement to temporarily extend the debt limit, avoiding a potential default.
- **US stocks** moved notably higher during trading, extending the upward move seen over the course of the previous session. The major averages closed higher for the third consecutive session following the steep drop seen on Monday.
- **Asian stocks** rallied after news emerged that U.S. Congressional Democrats and Republicans could reach a deal to raise the debt limit by a certain level that could tide the Treasury over until December. Chinese markets remained closed for Golden Week holidays.

### Industry Buzz

- **InterGlobe Aviation:** Rahul Gangwal, co-promoter of InterGlobe Aviation Ltd. has moved the Delhi High Court to seek enforcement of an arbitral award in his shareholder dispute with co-promoter Rahul Bhatia.
- **Zee Entertainment Enterprises:** NCLT made an error in not granting enough time to Zee for replying to Invesco Developing Markets Fund's petition seeking an extraordinary general meeting of the company, NCLAT said. The NCLAT, however, has not specified the time Zee should be given. NCLT Mumbai is scheduled to resume hearing in the case today.

- **JSW Energy:** The company has signed a contract with GE Renewable Energy for supply of 810 MW of onshore wind turbines for the company's underconstruction pipeline of 2.5 GW of renewable projects in India. The supply of the turbines will start by the second quarter of CY2022.
- **Hero MotoCorp:** Introduces XPulse 200 4 Valve adventure motorcycle
- **Piramal Enterprises:** To spin off & list pharma business; shareholders will get 4 shares of Piramal Pharma Ltd. for each share held
- **Great Eastern Shipping Company:** SBI Mutual Fund sold 8.44 lakh equity shares in the company via an open market transaction on October 6, reducing shareholding to 2.85% from 3.43% earlier.
- **Ratnamani Metals & Tubes:** The company has received a new order of Rs 98 crore for the supply of carbon steel pipes from the domestic oil and gas sector, to be executed in 5 to 12 months.

- **IL&FS Transportation Networks:** To sell stake in Warora Chandrapur Ballarpur Toll Road, an associate of the company, to Vishvaraj Infrastructure for Rs 12.25 crore. The sale is expected to be completed by January 31, 2022.
- **National Aluminium Co.:** A patent has been granted jointly to Jawaharlal Nehru Aluminium Research Development and Design Centre and Nalco by Controller of Patent for an invention entitled "Determination of calcium in alumina hydrate, calcined alumina and process liquor."
- **Oberoi Realty:** Units booked in Q2 at 200 vs 45 YoY (39 QoQ); Booking value in Q2 at Rs 828.52 crore vs Rs 327.30 YoY (Rs 169.97 QoQ); Area booked in Q2 at 4,43,716 square feet vs 1,30,236 square feet YoY (92,128 square feet QoQ)

## Indian Macro

- The extent of India's economic recovery in FY22 will depend on how quickly household income, activity in the informal sector and smaller firms normalizes, the World Bank said on Thursday, retaining its earlier projection of 8.3% GDP growth for the current financial year. "Despite the devastating health consequences, the economic impact of the recent waves is relatively small compared to the impact from the waves in 2020. Real GDP in the current fiscal year is expected to grow by 8.3%, which is consistent with the last forecast from June 2021, and a 1.8 percentage point downward revision from the forecast in March 2021. The projected growth is supported by an increase in public investment to boost domestic demand and production-linked incentive schemes to boost manufacturing," the World Bank said in its latest South Asia Economic Focus.

## Global Macro

- The Caixin China General Composite PMI climbed to 51.4 in September 2021 from 47.1 a month earlier, as COVID-19 outbreaks in some parts of the country receded. The upturn was mainly boosted by a renewed increase in services activity as manufacturing output fell slightly. September data pointed to a fresh rise in new work, amid a slight drop in new export business and a fractional fall in employment. Prices data, meanwhile, saw steeper increases in both input costs and output charges. "In the coming months, the government should focus on improving epidemic prevention and control and alleviating supply-side pressure," said Dr. Wang Zhe, senior economist at Caixin Insight Group. "It should also find a balance among multiple objectives, such as promoting employment, holding raw material prices stable, ensuring a stable and orderly supply, and meeting targets for controlling energy consumption."
- Consumer credit in the United States increased by USD 14.38 billion in August of 2021, following an upwardly revised USD 17.2 billion gain in the previous month, missing market expectations of a USD 17.5 billion rise. Revolving credit increased by USD 2.98 billion while non-revolving credit went up by USD 11.39 billion.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	729	722	734	742	746
ASIANPAINT	3246	3184	3282	3344	3380
AXISBANK	769	764	780	785	796
BAJAJ-AUTO	3795	3748	3832	3879	3916
BAJAJFINSV	17293	17131	17586	17748	18041
BAJFINANCE	7685	7638	7785	7832	7932
BHARTIARTL	687	684	695	698	705
BPCL	447	446	450	451	454
BRITANNIA	3865	3828	3914	3951	4000
CIPLA	904	889	913	928	937
COALINDIA	188	186	192	194	197
DIVISLAB	5045	5004	5104	5145	5203
DRREDDY	4839	4807	4914	4945	5021
EICHERMOT	2759	2696	2809	2872	2922
GRASIM	1577	1565	1602	1614	1639
HCLTECH	1288	1269	1303	1322	1337
HDFC	2705	2688	2740	2757	2792
HDFCBANK	1600	1593	1614	1621	1635
HDFLIFE	719	712	725	732	739
HEROMOTOCO	2815	2788	2837	2865	2887
HINDALCO	472	466	479	484	491
HINDUNILVR	2657	2642	2680	2695	2719
ICICIBANK	695	689	700	707	712
INDUSINDBK	1145	1119	1165	1191	1211
INFY	1677	1663	1690	1704	1718
IOC	131	129	132	134	135
ITC	232	231	233	234	236
JSWSTEEL	661	655	666	672	677
KOTAKBANK	1937	1927	1960	1970	1993
LT	1699	1685	1714	1728	1743
M&M	850	818	869	901	920
MARUTI	7330	7113	7443	7660	7772
NESTLEIND	18866	18736	19085	19214	19434
NTPC	141	140	143	145	147
ONGC	155	152	163	166	173
POWERGRID	187	185	189	191	193
RELIANCE	2556	2547	2578	2588	2609
SBILIFE	1195	1188	1215	1222	1242
SBIN	455	453	460	462	467
SHREECEM	27771	27583	28058	28247	28534
SUNPHARMA	812	797	819	834	841
TATACONSUM	820	816	826	830	835
TATAMOTORS	357	326	370	400	414
TATASTEEL	1277	1269	1292	1300	1315
TCS	3859	3800	3879	3937	3958
TECHM	1394	1361	1409	1442	1456
TITAN	2307	2211	2346	2441	2480
ULTRACEMCO	7296	7231	7377	7442	7523
UPL	722	716	729	735	742
WIPRO	638	632	643	650	655

## 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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