

Morning Call

27 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	60,048	59,885	0.27%
Nifty Index	17,853	17,823	0.17%
NSEBANK INDEX	37,830	37,772	0.16%
NSEAUTO INDEX	10,429	10,373	0.54%
NSEIT INDEX	37,103	36,817	0.78%

Market depth	Advance	Decline	T/O(bn)
NSE	739	1,298	790
BSE	1,285	1,994	65

Indices	Close	Previous	Chg. %
DJIA	34,798	34,765	0.10%
NASDAQ	15,048	15,052	-0.03%
S&P 500	4,455	4,449	0.15%
DAX	15,532	15,644	-0.72%
CAC 40	6,638	6,702	-0.95%
FTSE 100	7,051	7,078	-0.38%
HANG SENG	24,192	24,511	-1.30%
SSE INDEX	3,613	3,642	-0.80%
NIKKIE 225	30,249	29,639	2.06%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
ASIANPAINT	3.7	TATASTEEL	-3.9
EICHERMOT	3.1	JSWSTEEL	-2.6
M&M	3.0	SBIN	-2.0
HCLTECH	2.4	DIVISLAB	-2.0
BHARTIARTL	2.2	SHREECEM	-2.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	31.3	34.4	-3.2
STOCK FUT	247.5	255.1	-7.6

Markets posted new closing highs

- Continued optimism about strong economic growth, hopes of good progress of the monsoon and easing concerns over the pandemic thanks to greater momentum in vaccination drive outweighed worries about Chinese real estate major Evergrande's debt woes and fears about the impact of imminent tapering of the bond-buying program by the Federal Reserve.
- Realty stocks were in demand again. Information technology stocks started off on a high note, but pared most of their gains as the session progressed.

Global & Asian market overview

- **European stocks** closed on a weak note, snapping a three-day winning run, as uncertainty about Chinese real estate major Evergrande's ability to pay interest on dollar-denominated bonds, and a batch of weak economic data from the region rendered the mood cautious.
- **US stocks** After moving sharply higher for two straight days, stocks showed a lack of direction over the course of the trading session on Friday. The major averages spent the day bouncing back and forth across the unchanged line.
- **Asian stocks** were on tenterhooks, as no tangible progress was noted on the Evergrande scenario and no clarifications were forthcoming from the company on the payment of coupon on the debt-ridden company's dollar denominated bonds.

Industry Buzz

- **NBCC (India):** The company has secured an order for construction of 2,000 social housing at Hulhumale, Maldives on EPC basis. The total cost of the project is \$130 million (approximately Rs 968.50 crore)
- **United Breweries:** The Competition Commission of India has imposed a penalty of Rs 751.83 crore on the company for anti-competitive conduct in the beer market in India.

- **Alembic Pharmaceuticals:** Almirall sues Aleor to block copies of Aczone acne treatment
- **Balkrishna Industries:** To raise Rs 1,000 crore via long term finance
- **SJVN:** The company has bagged a 1000 MW solar power project through Request for Proposal floated by Indian Renewable Energy Development Agency. The tentative cost of construction and development of this project is Rs 5,500 crore.
- **Indiabulls Housing Finance:** The company has sold a portion of its stake in OakNorth Holdings for approximately Rs 251 crore.
- **Nucleus Software Exports:** Approved buyback of 22.67 lakh equity shares, comprising of 7.81% of the total paid-up equity capital of the company, at Rs 700 each for an aggregate amount of Rs 158.71 crore.
- **Dalmia Bharat:** Dalmia Cement (Bharat), a subsidiary of the company, has commenced commercial production of Line 2, having a capacity of 2.25 million tonnes at its Kapilas Cement Manufacturing Works Unit near Cuttack, Odisha. With this addition, the company's overall capacity at the plant has gone up to 3.95 MT per annum.

- **Hindustan Copper:** Government to offer up to 31.98 lakh equity shares of face value of Rs 5 each to the eligible employees of the company at Rs 116 per equity share.
- **Orient Cement:** The company has identified land admeasuring approximately 35 acres in Maharashtra, for establishing a Cement Grinding Unit. In this regard, Orient Cement has entered into a non-binding MoU with Adani Power Maharashtra, the lawful lessee, for facilitating bona fide use of the land for setting up CGU.
- **Container Corporation of India:** Extended the tenure of V Kalyana Rama, Chairman and Managing Director of the company, till September 30, 2023.
- **EKI Energy Services:** The company has opened three new international business points in Thailand, Jordon, and Indonesia, to meet the growing demand of services related to carbon credits. With this, the company now has presence in 12 countries.
- **Power Grid Corp:** Seeks to raise funds up to Rs 6,000 crore

Indian Macro

- Union Finance Minister Nirmala Sitharaman on Friday said the Indian economy is on a sustained path of revival and cited rise in GST collections and direct taxes to support her assertion. She further said that the confidence in the Indian stock market is growing as retail and small investors are keenly investing money in the share market. She was addressing the media here. "I can see very clearly signs of revival and good signs of revival. Otherwise my revenue collection would not be where it is, both the GST and direct taxation," said Sitharaman while replying to a question on whether the economy has returned to its pre-covid level.
- The finance ministry has notified the procedure to issue duty credit for goods exported under the tax refund scheme Remission of Duties and Taxes on Exported Products (RoDTEP). The rates for 8,555 products - such as marine, agriculture, leather, gems and jewellery - were announced under the RoDTEP scheme in August this year. The value of goods for calculation of duty credit to be allowed under the scheme will be the declared export FOB (Freight On Board) value or up to 1.5 times the market price of that item, whichever is less, a notification of the department of revenue said.
- The commerce ministry has recommended imposition of anti-dumping duty on a pharma raw material - Ceftriaxone Sodium Sterile - from China to guard domestic players from cheap imports. Directorate General of Trade Remedies (DGTR) has recommended the duty after concluding in its probe that the API (active pharma ingredient) from China has been exported at dumped prices into India, which impacted the domestic industry. "The authority recommends the imposition of the anti-dumping duty on the imports of subject goods...", the directorate has said in a notification.
- The Central Board of Indirect Taxes and Customs (CBIC) has asked field offices to draw up an action plan so that no case of GST evasion is pending investigation beyond one year. In an instruction to field formations, the CBIC has also asked GST officers to speed up investigation and issue show-cause notices in evasion cases, so that enough time is left with adjudicating authority to pass orders. It said that the last date for filing the Annual Returns for 2017-18, 2018-19 and 2019-20 financial years is already over.

Global Macro

- The People's Bank of China continued to inject a total CNY 100 billion of 14-day reverse repos at an interest rate of 2.35 percent to maintain liquidity in the banking system on September 27th, 2021, amid China's second largest private property developer Evergrande missed an USD 83.5 million payment in bond interest to its offshore bondholders on September 23rd.
- Chicago corn futures have been trading around \$5.3 a bushel, above an 8-month low of \$4.9 touched in the second week of September on expectations that higher costs of wheat would push more feed demand towards corn. Still, the

International Grains Council raised its forecast for the 2021/22 global corn crop, reflecting an improved outlook for the US and Ukraine.

	S1	S2	PIVOT	R1	R2
ADANI PORTS	733	727	749	755	771
ASIANPAINT	3353	3245	3429	3537	3613
AXISBANK	786	779	801	808	823
BAJAJ-AUTO	3780	3752	3815	3842	3877
BAJAJFINSV	18300	18061	18557	18796	19052
BAJFINANCE	7674	7588	7812	7899	8036
BHARTIARTL	730	717	742	755	767
BPCL	409	405	416	420	427
BRITANNIA	4015	3988	4057	4084	4126
CIPLA	960	949	971	982	994
COALINDIA	163	160	166	170	173
DIVISLAB	5027	4978	5140	5189	5302
DRREDDY	4773	4754	4797	4817	4840
EICHERMOT	2902	2838	2925	2988	3011
GRASIM	1610	1591	1634	1653	1677
HCLTECH	1339	1318	1359	1380	1399
HDFC	2805	2777	2827	2855	2877
HDFCBANK	1583	1563	1595	1616	1628
HDFCLIFE	721	715	726	731	737
HEROMOTOCO	2812	2792	2837	2856	2882
HINDALCO	472	467	479	484	491
HINDUNILVR	2724	2703	2752	2773	2801
ICICIBANK	718	713	721	726	729
INDUSINDBK	1137	1115	1163	1185	1211
INFY	1746	1731	1767	1782	1803
IOC	116	114	117	119	120
ITC	235	233	240	241	246
JSWSTEEL	646	634	662	674	691
KOTAKBANK	2008	1992	2030	2046	2068
LT	1735	1713	1773	1795	1833
M&M	766	745	774	796	804
MARUTI	6858	6758	6948	7048	7138
NESTLEIND	19755	19688	19868	19935	20048
NTPC	123	122	125	125	127
ONGC	133	131	136	138	142
POWERGRID	174	173	177	178	181
RELIANCE	2462	2450	2484	2496	2517
SBILIFE	1203	1190	1221	1233	1251
SBIN	435	431	443	447	455
SHREECEM	28872	28538	29454	29788	30370
SUNPHARMA	762	755	769	776	784
TATACONSUM	828	822	840	846	858
TATAMOTORS	312	309	320	323	330
TATASTEEL	1234	1214	1279	1300	1345
TCS	3834	3800	3889	3923	3979
TECHM	1497	1485	1522	1533	1559
TITAN	2081	2068	2098	2111	2128
ULTRACEMCO	7448	7403	7545	7590	7688
UPL	711	703	721	729	740
WIPRO	664	658	682	689	706

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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