

## Morning Call

21 September 2021

Indices	Close	Previous	Chg. %
Sensex Index	58,491	59,016	-0.89%
Nifty Index	17,397	17,585	-1.07%
NSEBANK INDEX	37,146	37,812	-1.76%
NSEAUTO INDEX	10,203	10,351	-1.44%
NSEIT INDEX	35,400	35,647	-0.69%

Market depth	Advance	Decline	T/O(bn)
NSE	453	1,622	645
BSE	1,018	2,357	64

Indices	Close	Previous	Chg. %
DJIA	33,970	34,585	-1.78%
NASDAQ	14,714	15,044	-2.19%
S&P 500	4,358	4,433	-1.70%
DAX	15,132	15,490	-2.31%
CAC 40	6,456	6,570	-1.74%
FTSE 100	6,904	6,964	-0.86%
HANG SENG	24,099	24,921	-3.30%
SSE INDEX	3,614	3,607	0.19%
NIKKIE 225	30,500	30,323	0.58%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
HINDUNILVR	2.9	TATASTEEL	-10.0
BAJAJFINSV	1.1	JSWSTEEL	-7.7
ITC	0.8	HINDALCO	-6.1
NESTLEIND	0.7	UPL	-5.3
HCLTECH	0.6	BPCL	-3.8

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	42.9	68.5	-25.6
STOCK FUT	172.7	179.2	-6.5

### Markets fell sharply as markets elsewhere across Asia and Europe slumped

- Metal stocks succumbed to selling pressure as iron ore prices plunged on reports that China is planning to expand air pollution curbs in Beijing and nearby provinces. Hindalco, JSW Steel and Tata Steel lost 6-10 percent.
- Lupin dropped 2.1 percent on news it received 7 observations from the U.S. health regulator for its Goa facility.

### Global & Asian market overview

- **European stocks** tumbled, hitting two-month lows in the process, amid worries about slowing global growth, concerns over a potential spillover of the debt crisis at China Evergrande Group and the prospect of tighter monetary policy from the Federal Reserve.
- **US stocks** plunged sharply, and the major averages all suffered their worst setbacks in several weeks, as worries about potential collapse of China's real estate firm Evergrande dented sentiment.
- **Asian stocks** fell in thin holiday trading on Monday, with markets in China, Japan, South Korea and Taiwan closed for holidays. Trading in Japan will resume on Tuesday, while Taiwan and China will be back on Wednesday and South Korea returns on Thursday.

### Industry Buzz

- **SBI Cards & Payment Services:** CA Rover Holdings is selling 32 million shares in the company through a block trade, according to a Bloomberg report. Shares are being offered at Rs 1,021 to Rs 1,072.3 each. Price range represents 4.8% to no discount to Monday's close.
- **Adani Ports and SEZ:** The Competition Commission of India has approved proposed acquisition of 10.40% equity shareholding of Gangavaram Port by the company.
- **The Mandhana Retail Ventures:** Rakesh Jhunjhunwala sold additional 98,094 equity shares in the company between September 17-20, reducing shareholding to 10.32% from 10.77% earlier.

- **Cadila Healthcare:** Zydus Healthcare, a wholly owned subsidiary of the company, has entered into an agreement with Integrace Pvt Ltd to sell two brands viz. Mifegest and Cytolog. The transaction is expected to be completed within 30 days from the date of execution of agreement subject to customary approvals.
- **HCL Technologies:** The company announced a five-year, digital transformation deal with MKS Instruments Inc., a global provider of instruments, systems, subsystems, and solutions for advanced manufacturing processes, to improve performance, productivity, and speed to market.
- **Kitex Garments:** The company has signed the Memorandum of Understanding with Telangana Government for investing Rs 2,406 crore in the state. The investment is planned at Kakatiya Mega Textile Park, Warangal and Industrial Park, Sitarampur.
- **Action Construction Equipment:** The company launched its QIP on Monday. The floor price of Rs 254.55 per equity share is at a premium of 2.62% to Monday closing price. The board will meet on September 23 to approve issue price.

## Indian Macro

- The finance ministry will kick-start the exercise to prepare the annual Budget for 2022-23 from October 12 amidst signs of revival of the Indian economy hit hard by the COVID-19 pandemic. The finance ministry will kick-start the exercise to prepare the annual Budget for 2022-23 from October 12 amidst signs of revival of the Indian economy hit hard by the COVID-19 pandemic. It will be the fourth budget of the Modi 2.0 government and Finance Minister Nirmala Sitharaman. "The pre-Budget/RE (Revised Estimate) meetings will begin on the October 12, 2020," according to the Budget Circular (2022-23) of the Budget Division of the Department of Economic Affairs, dated September 16, 2021.
- Simplification, facilitation and ease of doing business has helped India create more startups, Commerce and Industry Minister Piyush Goyal said on Sunday. For promoting startups, the government is creating future global leaders and wants to become the innovation hub of the world, he said during an interaction with the industry representatives in Bengaluru. "India has been able to create the third largest startup ecosystem in the world since its launch. This has been possible by the government's focus on reforms like simplification, facilitation and ease of doing business," he said. He called upon the industries to be self-sufficient in the area of semiconductors. Goyal also suggested the participants to formulate a draft road map for the development of startups.

## Global Macro

- The Chinese yuan depreciated to a near one-month low of 6.48 per USD in the 4th week of September, after touching a 3-month high of 6.41 earlier in the month, amid general dollar strength and worries about Chinese property developer Evergrande's default risk. Interest payments on two Evergrande notes are due Thursday, which will be a big test for the company and the Chinese financial market as well. Chinese markets are closed on September 20th and 21st for the Mid-Autumn Festival, and there is no PBOC daily fixing on those days.
- The yield on UK 10-year government bond dropped to 0.81% on Monday after touching on Friday its highest level since May 21st, as concerns over the pace of global growth mounted, supporting demand for safe-haven government bonds worldwide. Meanwhile, a higher-than-expected inflation rate in the UK boosted expectations of sooner-than-expected tapering by the Bank of England, while investors are also eager to hear if the US Federal Reserve will begin withdrawing stimulus this year as the economy rebounds.

	S1	S2	PIVOT	R1	R2
ADANIPOINTS	733	724	754	762	784
ASIANPAINT	3249	3232	3282	3299	3332
AXISBANK	784	779	796	801	814
BAJAJ-AUTO	3739	3698	3776	3818	3855
BAJAJFINSV	16702	16384	17018	17336	17652
BAJFINANCE	7298	7179	7439	7558	7700
BHARTIARTL	715	711	724	728	738
BPCL	412	408	423	427	438
BRITANNIA	4011	3948	4063	4126	4178
CIPLA	922	915	938	946	961
COALINDIA	151	150	154	156	159
DIVISLAB	5024	4974	5130	5180	5286
DRREDDY	4681	4646	4783	4818	4921
EICHERMOT	2753	2704	2806	2855	2908
GRASIM	1521	1505	1544	1560	1583
HCLTECH	1246	1224	1272	1295	1321
HDFC	2704	2681	2756	2780	2832
HDFCBANK	1548	1541	1565	1572	1589
HDCLIFE	718	712	732	738	752
HEROMOTOCO	2867	2847	2893	2913	2940
HINDALCO	433	427	449	455	470
HINDUNILVR	2751	2681	2780	2850	2879
ICICIBANK	700	696	710	714	724
INDUSINDBK	1065	1051	1099	1113	1147
INFY	1673	1660	1690	1702	1720
IOC	113	112	115	116	119
ITC	228	225	234	238	243
JSWSTEEL	609	598	639	651	681
KOTAKBANK	1969	1947	2003	2024	2059
LT	1682	1674	1709	1718	1744
M&M	728	718	742	752	767
MARUTI	6888	6842	6952	6997	7061
NESTLEIND	20178	19997	20282	20463	20567
NTPC	121	120	122	123	125
ONGC	126	123	127	130	132
POWERGRID	173	172	176	177	180
RELIANCE	2368	2345	2393	2416	2441
SBILIFE	1164	1156	1181	1188	1206
SBIN	428	423	441	446	459
SHREECEM	29467	29222	30084	30329	30945
SUNPHARMA	742	735	759	766	782
TATACONSUM	846	840	862	868	884
TATAMOTORS	291	288	301	304	314
TATASTEEL	1195	1169	1273	1300	1378
TCS	3788	3767	3830	3852	3893
TECHM	1400	1380	1446	1466	1513
TITAN	2064	2055	2080	2090	2106
ULTRACEMCO	7476	7418	7603	7660	7787
UPL	684	674	711	721	748
WIPRO	650	643	660	667	677

## 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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