

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

Good Morning & Welcome to a brand new of week/month of trading at Dalal Street dated 1st February 2021.

SGX Nifty in early action is suggesting that Dalal Street is likely to limp at open and most importantly, as per our **call of the day** the road to any recovery looks bumpy.

Early morning volatility is also on backdrop of hopes high for Biden's aid package, but worries grew that the plan might be scaled back under pressure from Republican legislators.

Focus will immediately shift to the biggest event of the day: The Union Budget 2021 to trickle in at 11AM.

India Budget 2021 comes at a time when the Indian economy appears to be recovering from the financial turmoil caused by the COVID-19 pandemic. Digging deeper, for the first time in history, the Indian economy is in 'technical recession' with two quarters of contraction.

The bulls' camp will look for triggers that can telegraph optimism and help lift Nifty to move above its all-time-high at 14757 mark.

This market could now threaten to snap negativity and turbulence witnessed in the last 6 sessions only if there is a big trigger for Dalal Street in the upcoming Union Budget 2021 in the form of any **abolition of Securities Transaction Tax (STT)**. Market participants will also look forward to re-examination of laws dealing with withholding tax on dividends, withdrawal of LTCG on all equity schemes, removing tax arbitrage between mutual funds and insurance in terms of switching, and clarifying tax aspects on F&O trades.

Now, here are other key things to know before today's market opens.

- Auto stocks will be in focus on the first day of February as automobile companies will release their January sales numbers. The street suspects, the growth in passenger vehicle, medium & heavy commercial vehicle and tractor segments to continue, but 2-wheeler segment may be weak in January.
- Q3 Earnings to trickle in today: COROMANDEL INTERNATIONAL, CASTROL, RELIANCE INFRASTRUCTURE.
- The options data for February Series suggests Nifty is likely to be in a broader trading range of 13200-14200 as maximum Call OI is at 14500. Maximum Put open interest stands at 14000 levels followed by 14000 levels. Call writing was seen at 14200 and then at 14000 strike price, while there was meaningful Put writing at 13100. Well, the said data indicates a wide trading range between 13100 and 14200 levels.
- Last week, the FIIs turned net sellers for the first time since September last year, selling Rs 12,096.69 crore worth of shares in the week ended January 29. DIIs were however net buyers on the weekly basis for the first time in last four months, net purchasing Rs 3,788.98 crore of shares last week.
- It is a fact that COVID-19 remains the biggest known risk to the market's progress.
- Technically speaking, from a chartist standpoint, all bullish eyes will be on if the benchmark Sensex can reclaim the psychological 50,000 mark this week. That said, the technical landscape has deteriorated after last week's sharp drop. The recent sequence of lower high/lows is intact on daily-time frames. On the downside, the supports are placed at 13501 and then at 13131 mark. Only a move below 13131 will trigger waterfall of selling.

SGX Nifty: (-61, 13660)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	13635	13131	14141	14270	11558	13151-14051	Sell between 13851-13901 zone. Targets at 13501 and then aggressive targets at 13131-13251 zone with stop at 14179.
Bank Nifty	30566	29601	32843	31690	24266	29601-31751	Sell at CMP. Targets at 28976 and then aggressive targets at 26501-27001 zone with stop at 32759.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BHARAT FORGE	583	561	647	593	439	Negative	Establish short positions at CMP, targeting 561/517 mark and then at 495 mark. Stop above 611.
INDIGO	1547	1425	1685	1666	1266	Negative	Sell at CMP, targeting 1425/1391 and then at 1275 zone with stop above 1691.
MOTHERSON SUMI	145	127	165	161	117	Negative	Sell between 147-150 zone, targeting 139 and then at 127.50-130 zone. Stop above 167.

All About Option Trades:

BUY HCLTECH February PE Strike Price 880 at CMP 21.45. Profit: Unlimited. Maximum Loss: Rs. 15,015/-. Stop: Exit Put Option if HCLTECH moves above 941. (HCLTECH February Futures CMP 918.80).

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
COROMANDEL	845	701	1001	824	740	Positive	Buy at CMP. Targets 901/1001/1121. Stop 701.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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