

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: CPI Tokyo Ex Food and Energy (MoM) (Jul), Tokyo CPI (YoY) (Jul), Tokyo Core CPI (YoY) (Jul), Monetary Base (YoY), 10-Year JGB Auction

USA: Total Vehicle Sales, Redbook (YoY), Redbook (MoM), ISM NY Business Conditions (Jul), ISM-New York Index (Jul), Factory orders ex transportation (MoM) (Jun), Factory Orders (MoM) (Jun), Durables Excluding Defense (MoM) (Jun), IBD/TIPP Economic Optimism

Euro: PPI (YoY) (Jun), PPI (MoM) (Jun)

Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 4th August 2020.

This Tuesday morning, SGX Nifty is indicating a higher open for our stock markets. That brings us to the big question of the day:

After the last 4-days fall at Dalal Street, is it safe to step-out and buy stocks?

Technically, the make-or-break support for the day is at 10811. Below 10811, the next key supports on Nifty only at 10627 mark. Our call of the day suggests aggressive buying advised only above Nifty's major hurdles at 11159 mark.

Weighing on sentiments are negative catalysts like:

1. Banking stocks are seen underperforming severely on possible extension of the moratorium period beyond August 31.
2. There is also risk of rising NPAs.
3. Pandemic-stricken economy — record unemployment, record debt accumulation, record GDP contraction.
4. Valuation concerns are also seen hitting investors' sentiment.
5. The U.S. and China are still at loggerheads on a number of issues creating an uncertain business environment and denting global growth.

Bottom-line: This is a market where good news is good news, bad news is good news, and terrible news is great news! That's because, 'Fed printing press is stronger than all economic reality'.

Now, commanding attention in this week's trade would be the outcome of the Monetary Policy Committee (MPC) meeting, which is scheduled to meet for three days beginning August 4 and will announce its decision on August 6. The Reserve Bank of India is likely to leave the repo rate unchanged primarily on the backdrop of a rise in retail inflation to 6-7.5% — well above RBI's 4 per cent target.

Well, if RBI surprises with a rate cut then that would be a welcome surprise for bulls at Dalal Street which should then eventually take Nifty above the 11500 mark.

Now, here are other key things to know before today's market open:

- As per Monday's Provisional Data available on the NSE, FII's bought shares worth Rs. 7818.49 crores in the Indian Equity Market. The FIIs data includes BlackRock and 3 other FIIs buying worth \$1.4 billion (10,600 crores) of Bandhan Bank shares.
- The important Q1 earnings to trickle in today: GODREJ CONSUMER PRODUCTS, TATA CONSUMER PRODUCTS,

Outlook for Tuesday: Nifty's support seen at 10811 mark.

SGX Nifty: (+68, 10980)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	10892	10811	11159	10950	10858	10970-11221	Sell between 11001-11151 zone. Targets 10811/10621 with stop at 10321.
Bank Nifty	21072	20751	21601	22154	25824	20541-21401	Sell between 21451-21601. Targets at 20845/20446/18819. Stop at 22377.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
SBIN	192.25	182	203	191	251	Positive	Buy between 187-190 zone. Targets 203/235. Stop 175.
SRF	3833	3721	4043	3828	3478	Positive	Buy at CMP. Targets 4043/4260. Stop 3713.
BAJFINANCE	3175	3101	3329	3251	3447	Negative	Sell between 3195-3210 zone. 3101/2853. Stop 3371.

All About Option Trades:

Option Trade: BUY NIFTY 06th AUGUST CE Strike Price 10900 at CMP 102.25. Profit: Unlimited. Maximum Loss: Rs. 7,668.75/- . Stop: Exit Call Option if Nifty moves below 10801. (Nifty August Futures CMP 10913.40)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HERITAGE FOODS	322.55	211	425	276	301	Positive	Buy at CMP. Targets at 425/500. Stop 211.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Mehta Group

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