

# MEHTA'S MORNING BELL



Here is what You may be interested this morning!

## Economic Calendar:

Japan:	Household Spending (MoM) (Dec), Household Spending (YoY) (Dec), Foreign Reserves (USD) (Jan), Coincident Indicator (MoM) (Dec), Leading Index (MoM) (Dec)
India:	Interest Rate Decision, Reverse REPO Rate, Cash Reserve Ratio, FX Reserves, USD
Singapore:	Retail Sales (MoM) (Dec), Retail Sales (YoY) (Dec)
Euro:	German Factory Orders (MoM) (Dec) Unemployment Rate (Jan), Average Hourly Earnings (YoY) (YoY) (Jan), Participation Rate (Jan), Trade Balance (Dec), U6 Unemployment Rate (Jan)
Great Britain:	Halifax House Price Index (YoY), Halifax House Price Index (MoM) (Jan)
Hong Kong:	Foreign Reserves (USD) (Jan)
Great Britain:	BoE Interest Rate Decision (Feb), BoE QE Total (Feb), BoE MPC vote hike (Feb) BoE MPC vote cut (Feb), BoE MPC vote unchanged (Feb)
USA:	Challenger Job Cuts (Jan), Continuing Jobless Claims, Jobless Claims 4-Week Avg., Initial Jobless Claims, Nonfarm Productivity (QoQ) (Q4), Unit Labor Costs (QoQ) (Q4), Factory orders ex transportation (MoM) (Dec), Durables Excluding Defense (MoM) (Dec), Factory Orders (MoM) (Dec), Natural Gas Storage, 4-Week Bill Auction, 8-Week Bill Auction, Unemployment Rate (Jan), Average Hourly Earnings (YoY) (YoY) (Jan), Participation Rate (Jan), Trade Balance (Dec) U6 Unemployment Rate (Jan), U.S. Baker Hughes Oil Rig Count, U.S. Baker Hughes Total Rig Count

## Good Morning & Welcome to Friday's trading session at Dalal Street dated 5th February 2021.

Our **call of the day** suggests that the benchmark Nifty is likely take over the positive baton from yesterday's buying euphoria seen at Dalal Street but that said, the street could get volatile on backdrop of the biggest event lined up for the day: RBI MPC meet outcome to trickle in at 10 AM.

So, all anxious eyes will be on the first meeting of the RBI MPC meet outcome. The street will spy with one big eye if the monetary policy review is also aimed at reviving the economy battered by the coronavirus crisis.

The Reserve Bank has slashed its key lending rate i.e. repo rate by 115 basis points since March 2020 to support the economy struggling against COVID-19. The RBI will most likely be on accommodative mode is likely on backdrop of moderation in headline inflation. India's Consumer Price Index (CPI), which measures the country's retail inflation, eased to 4.59 percent in December versus 6.93% in November, within the RBI's upper band of 6.

Hence expect, Repo Rate to be maintained at 4%. The Reserve Bank has slashed its key lending rate i.e. repo rate by 115 basis points since March 2020 to support the economy struggling against COVID-19.

How Dalal Street will react to the accommodative stance?

Expect, the benchmark Nifty and Sensex to continue with their upward journey with Nifty aiming to move above its psychological 15000 mark.

Optimism will continue to be the theme amidst:

1. Signs of progress on U.S stimulus.
2. Slowing cases of Covid-19 cases in the U.S
3. Vaccine rollout seen accelerating.

Our **chart of the day** suggests that PSU Banks are our preferred bets on the buy side. We continue to like CANARA BANK, BANK OF BARODA, SBI & PNB with interweek perspective on any intraday declines. The market is also likely to be upbeat on stocks like ZEE ENTERTAINMENT, BIRLA CORPORATION & JUBILANT FOODS.

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

- **Q3 Earnings to trickle in today:** BRITANNIA INDUSTRIES, MAHINDRA & MAHINDRA, PUNJAB NATIONAL BANK, CADILA HEALTHCARE.
- The options data for February Series suggests Nifty is likely to be in a higher trading range of 14500-15200 as maximum Call OI is at 15500 followed by 15000 strike price. Maximum Put open interest stands at 14000 levels followed by 14200 levels. Call writing was seen at 15500 and then at 14900 strike price, while there was meaningful Put writing at 14000.
- Technically speaking, from a chartist standpoint, all bullish eyes will be on if the benchmark Nifty can conquer the psychological 15,000 mark this week. Nifty's intraday downside likely to be well supported at psychological 14700 mark.
- Stock banned in F&O segment: PNB, SAIL.

## SGX Nifty: (+37, 14933)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	14896	14697	15001	14379	11668	14757-15050	Buy between 14675-14750 zone. Targets at 15001 and then aggressive targets at 15251 zone with stop at 14389.
Bank Nifty	35345	34771	36251	32263	24551	34895-36251	Buy between 34350-34501 zone. Targets at 35751 and then aggressive targets at 36251-36501 zone with stop at 33101.

### All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
CANARA BANK	162	149	169	138	103	Positive	Buy between 153-157.50, targeting 169/181. Stop at 147.
CADILA HEALTHCARE	479	459	489	477	403	Positive	But at CMP. Targets 489/497/515. Stop above 439.
MUTHOOT FINANCE	1185	1153	1241	1201	1118	Positive	But at CMP. Targets 1241/1313. Stop above 1127.

### All About Option Trades:

**Option Call:** BUY NIFTY 11th February CE Strike Price 15000 at CMP 99.90. Profit: Unlimited. Maximum Loss: Rs. 7,492.5/-. Stop: Exit Call Option if NIFTY moves below 14751. (NIFTY February Futures CMP 14890)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BIRLA CORPORATION	820.05	701	1001	732	619	Positive	Buy at CMP. Targets 901/1001/1121. Stop 701.

## Mehta Group

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