

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Foreign Bonds Buying, Foreign Investments in Japanese Stocks
Great Britain:	BoE Inflation Report, BoE MPC Meeting Minutes, BoE Interest Rate Decision (Jul), BoE QE Total (Jul), BoE MPC vote hike (Jul), BoE MPC vote unchanged (Jul), BoE MPC vote cut (Jul), Construction PMI (Jul), BoE Financial Stability Report
Euro:	German Factory Orders (MoM) (Jun), IHS Markit Construction PMI (Jul)
India:	Reverse REPO Rate, Cash Reserve Ratio, Interest Rate Decision
USA:	Challenger Job Cuts (Jul), Initial Jobless Claims, Continuing Jobless Claims, Jobless Claims 4-Week Avg.

Good Morning & Welcome to Thursday's trading action at Dalal Street dated 6th August 2020.

Judging by early action at SGX Nifty, it's most likely that Dalal Street will start strong note.

And that brings us to our **call of the day** which says, 'this is a market where good news is good news, bad news is good news, and terrible news is great news'.

And this bullish theme will continue to be the preferred bet as long as 'Fed's printing press is stronger than all bearish bets'.

But for the day, the street will spy with one big eye on whether Governor Shaktikanta Das will lower interest rates again to support a fragile economy. We suspect 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.

Bottom-line: Our stock markets are likely to start on strong note, but whether they will stay strong and most importantly, finish strong depends primarily on RBI's of surprising with a rate cut — Well, a rate cut 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:

- Technically, Nifty's near term support is now seen at 10811. Intraday support seen at 11000 mark. Upside hurdles now seen at 11342.
- Options data suggests Nifty is likely to be in a trading range as maximum Call OI is at 11,500. Maximum Put open interest stands at 11,000 level. Call writing was seen at 11,100 followed by 11,400 levels, while there was meaningful Put writing at 10,800. Well, the said data indicates a higher trading range between 10,800 and 11,500 levels.
- Commanding attention would be the negotiations for another pandemic-relief bill which continue on Capitol Hill.

The important Q1 earnings to trickle in this week:

- Thursday: ADANI POWER, BLUE STAR, LUPIN, ADANI ENTERPRISES, CAN FIN HOMES, HIND PETRO, PIDLITE, TORNTPOWER, IDEA.

Outlook for Thursday: All eyes on RBI's policy outcome.

Amongst stocks, we like Bharti Airtel, Steel Authority appear attractive on the buy side. Bharti Airtel signed a pact with Amazon Web Services for cloud services. SAIL should continue to enjoy strong sessions after its total sales grew by about 50% on year to 15.83 lakh tonnes (LT) during July 2020.

SGX Nifty: (+37, 11153)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11102	10811	11159	10980	10855	11001-11351	Buy between 10977-11025 zone. Targets 11225/11341/11501 with stop at 10811.
Bank Nifty	21609	21001	22151	22067	25753	20751-22201	Buy at CMP. Targets at 22151/22501/23251. Stop at 20129.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
JUBILANT FOODS	1858	1791	1972	1718	1640	Positive	Buy at CMP Targets 1972/2101. Stop 1763.
SAIL	36.75	31	41	35	36	Positive	Buy at CMP. Targets 42.50/51. Stop 29.75.
TATAMOTORS	115.40	111	119	106	129	Positive	Buy at CMP. 119/131. Stop 109.

All About Option Trades:

Option Trade: BUY NIFTY 13th AUGUST CE Strike Price 11200 at CMP 89.45. Profit: Unlimited. Maximum Loss: Rs. 6,708.75/- . Stop: Exit Call Option if Nifty moves below 11001. (Nifty August Futures CMP 11118)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
HERITAGE FOODS	329.70	221	425	282	301	Positive	Buy at CMP. Targets at 425/500. Stop 221.
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

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