

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Overtime Pay (YoY) (Aug), Overall wage income of employees (Aug), Household Spending (MoM) (Aug), Household Spending (YoY) (Aug), Average Cash Earnings (YoY)
China:	Caixin Services PMI (Sep), Chinese Composite PMI
Great Britain:	Industrial Production (YoY) (Aug), Manufacturing Production (YoY) (Aug), Manufacturing Production (MoM) (Aug), Monthly GDP 3M/3M Change, Trade Balance (Aug), Trade Balance Non-EU (Aug), Construction Output (MoM) (Aug), Industrial Production (MoM) (Aug), Index of Services, GDP (MoM), U.K. Construction Output (YoY) (Aug), NIESR GDP Estimate.
USA:	Wholesale Trade Sales (MoM) (Aug), WASDE Report, U.S. Baker Hughes Oil Rig Count, U.S. Baker Hughes Total Rig Count
India:	Reverse REPO Rate, Interest Rate Decision, Cash Reserve Ratio, FX Reserves, Deposit Growth, Bank Loan Growth

Good Morning & Welcome to Friday's trading action at Dalal Street dated 9th October 2020.

The most inspiring news this morning is that TCS has surpassed Accenture to become most-valuable IT services firm globally. As on yesterday's closing price, TCS was valued at \$144.73 billion while Accenture is currently at \$142.4 billion.

Now to the theme of the day!

Today, all eyes will be on the monetary policy committee (MPC) decision which is the rate-setting panel of the Reserve Bank of India (RBI). The street will now spy with big eye on the RBI Policy outcome to trickle in at 10 AM.

We expect status quo on the rates as inflation remains elevated. The August reading showed the CPI inflation print at 6.69%. The MPC has an inflation band of plus or minus 4% to keep a watch on. Meanwhile, the growth scenario is quite disturbing. The street suspects a contraction of 5-9% for this fiscal. As per World Bank's warning, the GDP contraction could be 9.6% in this fiscal.

That said, RBI is likely to maintain dovish guidance, leaving room for rate cuts in the later part of Fy21.

Now, before we get into detail, here are other key things to know before today's market open.

- The benchmark Nifty & Sensex are now just 5% away from their all-time-highs. Technically speaking, bulls' will now eye to reclaim the psychological 12000 mark. Nifty's intraday support seen at 11721/11477 mark. Nifty's 200 DMA at 10737 mark.
- Options data suggests Nifty is likely to be in a higher trading range as maximum Call OI is at 12500. This is followed by 12000 Strike Price. Maximum Put open interest stands at 11000 levels. Call writing was seen at 12500 followed by 12200 levels, while there was meaningful Put writing at 11800. Well, the said data indicates a higher trading range between 11500 and 12200 levels.
- Thursday's provisional data suggests that, FII's bought shares worth Rs. 978.37 crores. DIIs however sold shares worth Rs. 19.85 crores in the Indian Equity market.
- Q2 earning to trickle in today: Rashtriya Chemicals & Fertilizers.
- Overnight, Wall Street traded with positive bias amidst optimism over fiscal stimulus prospects. Meanwhile, the next debate between President Donald Trump and Joe Biden is on October 15th. Trump plans to attend next week's debate.

Our **chart of the day** suggests that pharma stocks are still looking attractive and can be considered for long term gains. We are quite bullish on AUROBINDO PHARMA, CIPLA and LUPIN with inter month perspective. FORTIS HEALTHCARE could be dark horse!

SGX Nifty: (+33, 11882)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11835	11721	11477	11382	10732	11721-12001	Buy between 11751-11775 zone. Targets at 11907/12001/12431 with stop at 11601.
Bank Nifty	23191	22401	23501	21999	23823	22301-23501	Buy between 22551-22751 zone. Targets at 23501/25251. Stop at 21917.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BAJAJ AUTO	3075	2954	3197	2971	2823	Positive	Buy at CMP. Targets 3197/3257. Stop 2937.
CIPLA	811	787	821	762	590	Positive	Buy at CMP. Targets 821/845. Stop 783.
LUPIN	1043	1021	1067	1012	833	Positive	Buy at CMP. Targets 1067/1123. Stop 1017.

All About Option Trades:

Option Trade: BUY NIFTY 15th OCTOBER CE Strike Price 11700 at CMP 138.95. Profit: Unlimited. Maximum Loss: Rs. 10,421.25/-. Stop: Exit Call Option if Nifty moves below 11701. (Nifty October Futures CMP 11827)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
SANOFI	8640.50	7793	9000	8528	7610	Positive	Buy at CMP. Targets 9000/9750. Stop 7793.
HCLTECH	849.55	711	901	801	601	Positive	Buy at CMP. Targets 901/1000. Stop 671.
-	-	-	-	-	-	-	-

Mehta Group

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