

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan: Core Machinery Orders (MoM) (Aug), Bank Lending (YoY) (Sep), Core Machinery Orders (YoY) (Aug), PPI (MoM) (Sep), PPI (YoY) (Sep), Machine Tool Orders (YoY)

India: Cumulative Industrial Production (Aug), Industrial Production (YoY) (Aug), Manufacturing Output (MoM) (Aug), CPI (YoY) (Sep)

Good Morning & Welcome to Monday's trading action at Dalal Street dated 12th October 2020.

The good news this Monday morning is that the hope-run is likely to continue at Dalal Street. This optimism should easily take Nifty above its psychological 12000 mark.

Bank Nifty should also aim to reclaim its biggest hurdles at 25232 mark. Last week, Bank Nifty emerged as a clear outperformer, up 7.2% for the week as against Nifty's 4.36%.

PSU Banks could be the 'Dark Horse' that deserves attention. SBI our preferred bet on the buy side. Amongst private bank space, the two stocks which are not ugly ducklings are CITY UNION BANK and FEDERAL BANK. In NBFC space, we like MANAPURAM FINANCE. We expect, MANAPURAM FINANCE will aim to reclaim psychological 200 mark with inter-month perspective.

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 12400 followed by 12700 levels, while there was meaningful Put writing at 11900. Well, the said data indicates a higher trading range between 11500 and 12200 levels.
- Friday's provisional data suggests that, FII's bought shares worth Rs. 39.39 crores. DIIs too bought shares worth Rs. 126.61 crores in the Indian Equity market.
- **Q2 earning to trickle in today:** Wipro, GNA Axles, Shalby, Indbank Merchant Banking Services, Ind Bank Housing.
- The biggest catalyst for banking stocks would be the Supreme Court verdict in the loan moratorium case on Tuesday, 13th October.
- Today's important economic event for India Industrial Production (Aug), CPI (YoY) (Sep)
- In the week gone by, the Dow gained 3.3%, while the S&P 500 was up 3.8% and the Nasdaq was up 4.6%. Interestingly, the small-cap Russell 2000 advanced 6.4% in the week gone by. Hopes of fiscal stimulus measures to be announced in the US are the key positive catalyst.

Outlook for Monday: All bullish eyes on Nifty 12000 mark.

SGX Nifty: (+3, 11964)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11914	11751	12001	11412	10730	11857-12001	Buy between 11801-11825 zone. Targets at 12001/12431 with stop at 11691.
Bank Nifty	23346	22791	24001	22074	23780	22301-23501	Buy between 22950-23100 zone. Targets at 23501/25251. Stop at 22398.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BAJAJ AUTO	3059	2954	3197	2971	2823	Positive	Buy at CMP. Targets 3197/3257. Stop 2937.
CANARA BANK	92.35	87	105	93	122	Positive	Buy at CMP. Targets 97/105. Stop 85.50.
SRF	4267	4181	4339	4191	3740	Positive	Buy between 4201-4225 zone. Targets 4339/4475. Stop 4097.

All About Option Trades:

Option Trade: BUY NIFTY 15th OCTOBER CE Strike Price 12000 at CMP 83. Profit: Unlimited. Maximum Loss: Rs. 6,225/-. Stop: Exit Call Option if Nifty moves below 11825. (Nifty October Futures CMP 11948)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MANAPPURAM	166	129	200	158	149	Positive	Buy at CMP. Targets 200/225. Stop 129.
HCLTECH	856	731	901	807	603	Positive	Buy at CMP. Targets 901/1000. Stop 731.
-	-	-	-	-	-	-	-

Mehta Group

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