

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Singapore:	GDP (YoY) (Q3), GDP (QoQ) (Q3)
Japan:	Capacity Utilization (MoM) (Aug), Industrial Production (MoM) (Aug)
India:	WPI Food (YoY) (Sep), WPI Fuel (YoY) (Sep), WPI Inflation (YoY) (Sep), WPI Manufacturing Inflation (YoY) (Sep)
USA:	IEA Monthly Report, MBA 30-Year Mortgage Rate, Mortgage Refinance Index, Mortgage Market Index, MBA Purchase Index, MBA Mortgage Applications (WoW), MBA Mortgage Applications (WoW), Core PPI (MoM) (Sep), Core PPI (YoY) (Sep), PPI (MoM) (Sep), PPI (YoY) (Sep), Seevol Cushing Storage Report, Thomson Reuters IPSOS PCSI (Oct), Thomson Reuters IPSOS PCSI, 20-Year Bond Auction.
Euro:	ECB President Lagarde Speaks, Industrial Production (MoM) (Aug), Industrial Production (YoY) (Aug), German 30-Year Bund Auction
Great Britain:	Labour Productivity (Q2)

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 14th October 2020.

The theme of the day revolves around the International Monetary Funds' (IMF) revised economic outlook.

- The IMF expects the global economy to contract 4.4% this year, 0.8% points better than its forecast in June.
- The IMF expects India's economy will contract 10.3% in FY21 than its earlier prediction of 4.5%. This is the sharpest fall amongst emerging markets and developing countries. Blame it to rise in Covid cases. The only positive takeaway is that growth will bounce back to 8.8% growth in 2021.
- The global economy's fate depends a lot on the trajectory of the virus. The IMF outlook assumes it will take until the end of 2022 to bring down transmissions of the virus to low levels around the world.
- Interestingly, China stands apart as the only major economy expected to grow this year—1.9%—as its economy has bounced back faster-than-expected after getting the virus under control, reopening its economy and getting a boost from relatively resilient exports

That brings us to our **call of the day** which suggests 'investors risk appetite will be on hold in today's trade. Technically speaking, a pretty hard crack only if Nifty drifts below its key support at 11791 mark. Below 11791, expect Nifty to quickly slip towards 11551 mark. Aggressive perma-bulls are advised to initiate long positions only on any close above the psychological 12000 mark.

Always remember, the secret to successful prediction is to predict early and quite well in advance. That way you're guaranteed to eventually be right.

Our **chart of the day** says if the meltdowns happens then expect the momentum high flyers stocks to be the worst performers. Stocks appearing weak with trading perspective are: BANDHAN BANK, HAVELLS and VOLTAS.

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

- Q2 earning to trickle in today: INFY, Aditya Birla Money, Tata Elxsi.
- The board of directors of Wipro have approved a share buyback plan that would cost the firm up to Rs 9,500 crore. The company will buy each share at a price of Rs 400.
- SC on Loan Moratorium Case hearing adjourned to October 14 (today).
- 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 11500 levels. Call writing was seen at 11900 followed by 12500 levels, while there was meaningful Put writing at 11600. Well, the said data indicates a higher trading range between 11500 and 12500 levels.
- Tuesday's provisional data suggests that, FII's bought shares worth Rs. 832.14 crores. DIIs however sold shares worth Rs. 1674.46 crores in the Indian Equity market.
- Important economic events for India this week are: 14th October: WPI Inflation (YoY) (Sep).
- Crude- oil prices are trading with positive bias after data showed a jump in Chinese crude imports.

Outlook for Wednesday: The bullish mood on Dalal Street is likely to get eroded. Hopefully, INFY Q2 comes to rescue!

SGX Nifty: (-53, 11888)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11935	11791	12047	11458	10728	11791-12047	Sell between 11975-12005 zone. Targets at 11791/11551 with stop at 12251.
Bank Nifty	23492	22791	24001	22182	23695	22301-23501	Sell at CMP. Targets at 22733 /21849. Stop at 24251.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NAUKRI	3579	3415	3705	3491	2818	Positive	Buy at CMP. Targets 3705/3811. Stop 3401.
BANDHAN BANK	321	303	335	294	324	Negative	Sell at CMP. Targets 303/285. Stop 337.
VOLTAS	667	639	685	677	601	Negative	Sell between 703.-705 zone. Targets 639/615. Stop 717.

All About Option Trades:

Option Trade: BUY NIFTY 22nd OCTOBER PE Strike Price 11800 at CMP 89.75. Profit: Unlimited. Maximum Loss: Rs. 6,731.25/- . Stop: Exit Put Option if Nifty moves above 12075. (Nifty October Futures CMP 11937.35)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MANAPPURAM	163.60	129	200	159	149	Positive	Buy between 157-159 zone. Targets 200/225. Stop 125.

Mehta Group

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