

MEHTA'S MORNING BELL



Here is what You may
be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	Reuters Tankan Index (Sep), Tertiary Industry Activity Index (MoM), Industrial Production (MoM) (Jul), Capacity Utilization (MoM) (Jul)
China:	House Prices (YoY) (Aug)
Singapore:	Unemployment Rate (Q2)
India:	WPI Inflation (YoY) (Aug), WPI Fuel (YoY) (Aug), WPI Manufacturing Inflation (YoY) (Aug), WPI Food (YoY) (Aug), M3 Money Supply, CPI (YoY) (Aug)
USA:	OPEC Monthly Report, 6-Month Bill Auction, 3-Month Bill Auction

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

With the Indo-China border tensions, taking a backseat, bullish investors' camp are likely to look for some value buying in this week's trade. India and China on September 10 have agreed on five-point plan to resolve the prolonged border face-off on the Line of Actual Control (LAC) in eastern Ladakh. Now all eyes are on the actual disengagement on the Chinese side at LAC.

Commanding attention would also be SEBI's categorisation rules for multicap funds. The market regulator has said multicap funds will now invest minimum 75% of total assets in equities with 25% each in largecap, midcap and smallcap companies.

At the outset, the move likely to cause disruption in the Indian Mutual Fund Industry as the AUM at end of August 2020 in the multi-cap category was worth INR. 1.5 Lakh Crores — one of the largest categories among the equity oriented schemes and therefore implementation of new SEBI rules may cause widespread disruptions across the Indian mutual fund industry.

The street suspects that this will result in up to Rs 40,000 crore moving from largecap to broader markets. So, it's most likely that large-cap schemes may underperform in the near term while mid-cap and small-cap stocks are likely to super-outperform.

3-Stocks to BUY Post SEBI's New Norms on Multi-Cap Funds.

1. TVS MOTORS.
2. ASTRAL POLY TECHNIK.
3. BALKRISHNA INDUSTRIES.

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

- Industrial production shrinks fifth month in a row, rate slows to 10.4%.
- Banking stocks are likely to underperform after Supreme Court grants relief to borrowers, extends loan repayment moratorium till September 28th.
- The important Q1 earnings to trickle in today: Apollo Hospitals Enterprise, Future Retail, HUDCO, PVR, NBCC (India), Raymond, SAIL.
- As per Friday's provisional data available on the NSE, FII's bought shares worth Rs. 1175.81 crores in the Indian Equity Market. DIIs however sold shares worth Rs. 724.31 crores in the Indian Equity market.
- Technically speaking, until Nifty is not above 11571 mark, expect moves to be dramatic, bit euphoric, leaving the market at the mercy of global cues which could make our stock markets vulnerable to more volatile trade. Downside however is likely to be limited at 11307/11181 mark. Buying on corrective declines should be the preferred strategy for the day.
- Options data suggests Nifty is likely to be in a trading range as maximum Call OI is at 11500. This is followed by 12000 Strike Price. Maximum Put open interest stands at 11,000 levels. Call writing was seen at 12000 followed by 11500 levels, while there was meaningful Put writing at 11,300. Well, the said data indicates a trading range between 11,000 and 11,500 levels.

Outlook for Monday: Buying dips should be the preferred strategy.

SGX Nifty: (+16, 11470)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11464	11303	11571	11415	10793	11347-11527	Buy between 11345-11365 zone. Targets at 11571/11751 with stop at 11179.
Bank Nifty	22479	21801	22751	22880	24713	21900-22751	Sell between 22751-22901 zone. Targets at 21711/20647. Stop at 23329.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
AUROBINDO PHARMA	803	787	845	839	625	Positive	Buy at CMP. Targets 845/889. Stop 785.
BALKRISHNA INDUSTRIES	1302	1253	1347	1329	1094	Positive	Buy between 1283-1287 zone. Targets 1347/1421. Stop 1251.
SBILIFE	864	837	883	847	842	Positive	Buy between 849-855 zone. Targets 883/901. Stop 833.

All About Option Trades:

Option Trade: BUY NIFTY 17th SEPTEMBER CE Strike Price 11400 between 75-80 zone. Profit: Unlimited. Maximum Loss: Rs. 6,000/-. Stop: Exit Call Option if Nifty moves below 11331. (Nifty September Futures CMP 11467)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NILKAMAL	1232	1201	1441	1295	1219	Positive	Buy at CMP. Targets 1441/1679. Stop 1201.
PFIZER	4873	4345	5475	4742	4274	Positive	Buy between 4831-4851 zone. Targets 5475. Stop 4345.
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Mehta Group

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