

MEHTA'S MORNING BELL



Here is what You may be interested this morning!

TODAY'S ECONOMIC CALENDAR

Japan:	CPI, n.s.a (MoM) (Sep), National Core CPI (YoY) (Sep), National CPI (YoY) (Sep), Thomson Reuters IPSOS PCSI (Oct)
Singapore:	Non-Oil Exports (YoY) (Sep), Trade Balance, Non-Oil Exports (MoM) (Sep)
China:	China Thomson Reuters IPSOS PCSI (Oct)
Great Britain:	Car Registration (YoY) (Sep), Car Registration (MoM) (Sep)
Euro:	German Car Registration (YoY) (Sep), German Car Registration (MoM) (Sep), CPI (MoM) (Sep), CPI (YoY) (Sep), CPI ex Tobacco (YoY) (Sep), Core CPI (YoY) (Sep), Core CPI (MoM) (Sep), HICP ex Energy & Food (YoY) (Sep), CPI ex Tobacco (MoM) (Sep), HICP ex Energy and Food (MoM) (Sep), Trade Balance (Aug)
USA:	Retail Sales Ex Gas/Autos (MoM) (Sep), Retail Sales (MoM) (Sep), Retail Sales (YoY) (Sep), Retail Control (MoM) (Sep), Core Retail Sales (MoM) (Sep), Manufacturing Production (MoM) (Sep), Industrial Production (MoM) (Sep), Industrial Production (YoY) (Sep), Capacity Utilization Rate (Sep), Michigan Current Conditions (Oct), Retail Inventories Ex Auto (Aug), Michigan Consumer Expectations (Oct), Michigan Consumer Sentiment (Oct), Michigan Inflation Expectations (Oct), Michigan 5-Year Inflation Expectations (Oct), NAHB Housing Market Index (Oct), Business Inventories (MoM) (Aug), IMF Meetings, U.S. Baker Hughes Oil Rig Count, U.S. Baker Hughes Total Rig Count

Good Morning & Welcome to Friday's trading action at Dalal Street dated 16th October 2020.

Our **call of the day** suggests a **wait-and-see approach would be the most preferable bet for the perma-bulls camp**. We say so because of the five negative catalysts:

1. Lack of American fiscal stimulus until the November 3rd elections.
2. Renewed coronavirus lockdowns.
3. The International Monetary Funds' (IMF) revised economic outlook suggests that the global economy to contract 4.4% this year. 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.
4. Slowing economic growth may temporarily cap the outperformance of Indian stock markets.
5. Overbought technical conditions.

Well, the bad news seems to be just piling up. Amidst this backdrop, investors risk appetite will be on hold in today's trade.

Technically speaking, if yesterday's panic selling is any indication then the benchmark Nifty should now quickly slip to 11551 mark. Below 11551, next wave of waterfall of selling quite likely which could take Nifty to 11221 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 are: **INDIGO, HAVELLS and VOLTAS** with interweek perspective.

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

- The Supreme Court will now hear the interest waiver on the loan moratorium period on 2nd November.
- Overnight at Wall Street, investors' were seen bit gloomy and that's on backdrop of rise in U.S. jobless claims and the lack of progress in Congress on another fiscal stimulus bill which is now unlikely until after the November elections.
- Options data suggests Nifty is likely to be in a higher trading range as maximum Call OI is at 12000. This is followed by 12200 Strike Price. Maximum Put open interest stands at 11500 levels. Call writing was seen at 12000 followed by 11800 levels, while there was meaningful Put writing at 11500. Well, the said data indicates a lower trading range between 11500 and 12000 levels.
- Thursday's provisional data suggests that, FII's and DIIs both sold shares worth Rs. 604.07 crores and Rs. 808.29 crores in the Indian Equity market.
- **Q2 earnings to trickle in today:** HCL Technologies, Bajaj Consumer Care, Federal Bank, Tata Communications, Tinplate Company.
- Crude- oil prices slip as Europe lockdowns feed demand concerns, but downside was supported as weekly U.S. supplies dropped.

Outlook for Friday: Volatility will be a hallmark of today's trade.

SGX Nifty: (+64, 11759)

All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11680	11551	11801	11491	10724	11551-11801	Sell between 11775-11795 zone. Targets at 11551/11221 mark with stop at 11887.
Bank Nifty	23072	22301	23601	22295	23606	22501-23401	Sell between 23427-23700 zone. Targets at 22711/21937. Stop at 23911.

All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
INDIGO	1305	1263	1359	1300	1148	Negative	Sell between 1331-1341 zone. Targets 1263/1181. Stop 1369.
VOLTAS	672.4	639	685	676	601	Negative	Sell between 677-681 zone. Targets 639/605. Stop 703.
HAVELLS	684	669	701	680	591	Negative	Sell between 693-697 zone. Targets 669/647. Stop 717.

All About Option Trades:

Option Trade: BUY NIFTY 22nd OCTOBER PE Strike Price 11600 at CMP 103.50. Profit: Unlimited. Maximum Loss: Rs. 7,762.50/-. Stop: Exit Put Option if Nifty moves above 11801. (Nifty October Futures CMP 11675)

All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
MANAPPURAM	159.30	129	200	160	149	Positive	Buy at CMP. Targets 200/225. Stop 125.

Mehta Group

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