

# MEHTA'S MORNING BELL



Here is what You may  
be interested this morning!

## TODAY'S ECONOMIC CALENDAR

USA:	TIC Net Long-Term Transactions including Swaps (Jul), TIC Net Long-Term Transactions (Jul), US Foreign Buying, T-bonds (Jul), Overall Net Capital Flow (Jul), Building Permits (Aug), Philly Fed Business Conditions (Sep), Housing Starts (Aug), Philadelphia Fed Manufacturing Index (Sep), Building Permits (MoM) (Aug), Philly Fed New Orders (Sep), Philly Fed Prices Paid (Sep), Philly Fed Employment (Sep), Philly Fed CAPEX Index (Sep), Housing Starts (MoM) (Aug), Continuing Jobless Claims, Initial Jobless Claims, Jobless Claims 4-Week Avg., Natural Gas Storage, 4-Week Bill Auction, 8-Week Bill Auction
Japan:	Foreign Bonds Buying, Foreign Investments in Japanese Stocks, BoJ Interest Rate Decision, BoJ Monetary Policy Statement, BoJ Press Conference
Singapore:	Non-Oil Exports (MoM) (Aug), Non-Oil Exports (YoY) (Aug), Trade Balance
Euro:	German Car Registration (MoM) (Aug), German Car Registration (YoY) (Aug), Core CPI (YoY) (Aug), Core CPI (MoM) (Aug), HICP ex Energy & Food (YoY) (Aug), CPI (YoY) (Aug), Construction Output (MoM) (Jul), CPI ex Tobacco (MoM) (Aug), CPI ex Tobacco (YoY) (Aug), HICP ex Energy and Food (MoM) (Aug), CPI (MoM) (Aug)
Great Britain:	Car Registration (MoM) (Aug), Car Registration (YoY) (Aug), BoE MPC vote cut (Sep), BoE MPC vote unchanged (Sep), BoE MPC vote hike (Sep), BoE QE Total (Sep), BoE Interest Rate Decision (Sep), BoE MPC Meeting Minutes

\*This Thursday morning, in early action, SGX Nifty is seen wobbling just below the dotted lines.\*

### The numbers are in and the verdict is out.

**First the numbers:** The policy-setting Federal Open Market Committee (FOMC) signaled it plans to keep a key U.S. short-term interest rate near zero at least through the end of 2023 to help the economy recover from the coronavirus. As expected, the central bank left its benchmark fed funds rate near zero. The Fed also raised its estimates for 2020 GDP and lowered its forecast for unemployment to 7.6% in light of a rapid rebound in the economy.

The central bank also formally adopted a new strategy to let inflation run hotter than its 2% target for a time to "make up" for periods of sup-par inflation.

**The Verdict:** Despite, Fed's dovish stand — the Dow Jones and the S&P 500 slipped on back of profit booking.

**Bottom-line:** Volatility likely in near term as there are some concerns that inflation could spike in coming months. That said, buying on dips should continue to be the preferred strategy as "The Fed is committed to fighting the last battle to save the economy in the wake of the Great Recession."

The biggest point to note from Fed Chair Jerome Powell statement is that, "If we don't get that [stimulus], there would certainly be downside risks,"

### Outlook for Thursday: Opportunity is everywhere in Pharma stocks.

This Thursday morning, in early action, SGX Nifty is seen wobbling just below the dotted lines.

Our **call of the day** which suggests Dalal Street most likely will aim to extend gains.

Technically speaking, bulls are likely to dominate as long as Nifty is trading above 11357 mark. Nifty's immediate targets seen at 11687 mark and then aggressive inter-month targets seen 11750-12000 zone. **Please note, Nifty will stumble only below 11357 mark.**

Our **chart of the day** is quite bullish on DR REDDYS LAB. We expect the stock to cross its psychological 5000 mark soon. Bullish traders can also look to trade CIPLA and SUN PHARMA on the buy side with an interweek perspective..

**Pharma stocks are likely to be market outperformers in the near-term, mid-term and long-term.**

## SGX Nifty: (-22, 11582)

### All about Nifty & Bank Nifty:

Indices	CMP	Support	Resistance	21 DMA	200 DMA	Range	Preferred Trade
Nifty	11605	11475	11687	11451	10784	11545-11627	Buy between 11541-11560 zone. Targets at 116777/11795 /12001 with stop at 11333
Bank Nifty	22574	21951	23267	22956	24569	22121-23267	Buy at CMP. Targets at 23267/23901. Stop at 21541.

### All about stocks (F&O Trades):

Instruments	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
BHARAT FORGE	481	463	495	487	401	Positive	Buy at CMP. Targets 495/521. Stop 461.
CIPLA	753	735	771	738	566	Positive	Buy at CMP. Targets 771/811. Stop 719.
SUNPHARMA	519	511	537	519	456	Positive	Buy at CMP. Targets 537/565. Stop 507.

### All About Option Trades:

**Option Trade:** BUY NIFTY 24th SEPTEMBER CE Strike Price 11700 between 70-78 zone. Profit: Unlimited. Maximum Loss: Rs. 5,850/-. Stop: Exit Call Option if Nifty moves below 11522. (Nifty September Futures CMP 11611.60)

### All about stocks (Medium Term Trades):

Stocks	CMP	Support	Resistance	21 DMA	200 DMA	Bias	Preferred Trade
NILKAMAL	1297.80	1201	1441	1298	1218	Positive	Buy at CMP. Targets 1441/1679. Stop 1201.
PFIZER	5000	4345	5475	4802	4287	Positive	Buy between 4831-4851 zone. Targets 5475. Stop 4345.
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## Mehta Group

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